Saturday Night

Canada's Magazine of Business and Contemporary Affairs

AUGUST 30TH 1958 20 CENTS

Will Foreign Cars Drive U.S. Makers To Model-T Thinking?

BY DAVID GRENIER

How NORAD Worked In Mid-East Crisis

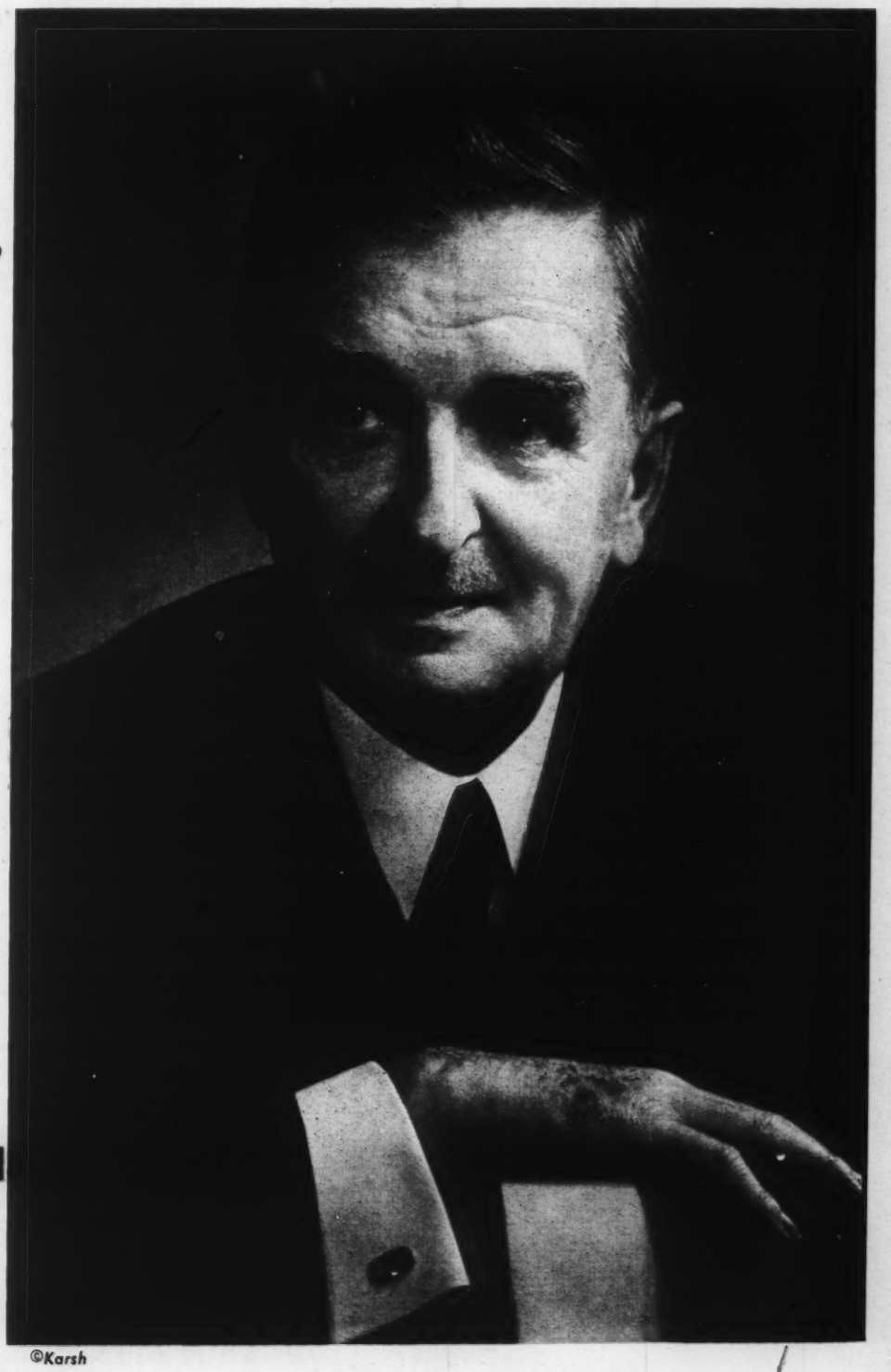
BY NORMAN DePOE

Successful Pay TV A First For Canada?

BY GORDON DONALDSON

Treasury Bill Sale Can Fight Inflation

BY R. U. MAHAFFY



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Gas Cooks Golden Goose: Maurice Duplessis: Page 14

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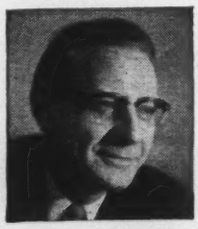

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Saturday Night

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David Grenier

David Grenier, financial writer of the Toronto *Telegram*, reports on Page 7 of this issue on the impact of small foreign cars on the North American automobile industry. Grenier foresees a counter-revolution in the automobile market, a return to the Detroit-inspired, Model-T philosophy that put a nation on wheels at a price it could afford.

Norman DePoe

Norman DePoe of the *CBC* was at NORAD headquarters in Colorado Springs a few weeks ago when the Mid-Eastern crisis put North America's air defences in a state of "increased readiness". DePoe (on page 8) reports on how NORAD handled the situation and offers some observations on defence and national sovereignty.

Robert Walker

Robert Walker, former Montreal newspaperman, now associate editor of *Liberty*, assesses the political situation created in Quebec by *Le Devoir's* charges of scandal in the sale of the province's natural gas assets. In an article beginning on Page 14, Walker describes Mr. Duplessis' problems as critical but the Premier is apparently determined to ride them out in silence, banking on his political machine to ensure his future.

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Letters

No Dogs

In your issue of July 5, 1958, there is an article by Mr. David Kahma on the Doukhobor situation entitled "New Terror in the Kootenay". Towards the end of this article Mr. Kahma states in effect that dogs have been used by the police in "tracking down" Doukhobor school children.

The R.C.M. Police have never used dogs for this purpose.

The Doukhobor problem is a sensitive and troublesome one, and one in which, I am sure you will agree, it is essential to avoid creation of further misunderstanding. For this reason it will be greatly appreciated if a correction on this point could be made in your next issue.

OTTAWA — E. D. FULTON, *Minister of Justice*

Editor's Note: Nevertheless, Author Kahma offers affidavits, sworn by Doukhobors in the Kelowna area, that on at least one occasion, R.C.M.P., searching for children hidden by their mother in nearby bushes, produced a "large black dog" on a leash and led it about the farmyard in an unsuccessful attempt to pick up the children's scent.

Aspects of Phariseeism

Congratulations on "Prattfall for a Pharisee" with its revealing exposure of traditional and corrupt court-favoritism at the White House!

TORONTO — L. T. MCCAUL

Your "Prattfall for a Pharisee" strikes one as a particularly egregious example of the guilt-by-innuendo approach. It is, to begin with, a fine piece of character-assassination.

While Anthony West fails to bring any specific public charge against Sherman Adams he works hard at stressing the latter's intimacy with the questionable Goldfine, (guilt-by-association). He then goes on to link Adams, quite arbitrarily, with Daniel Sickle, a forgotten Nineteenth Century Presidential adviser who was a notorious lecher and an acknowledged murderer. And finally he takes the opportunity to extend the smear till it covers White House administration over the past century.

In other words, Author West, while eloquently deploring Sherman Adams' relation to McCarthyism uses the whole McCarthy technique to smear Politician Adams. Altogether, "Prattfall for a Pharisee" looks like a very interesting exercise not only in McCarthyism but in Phariseeism.

MONTREAL — T. P. O'BRIEN

Side of the Angels

Reference the vigorous defence of civil servants by a BC correspondent in your last issue. Agreed many of them are hard and conscientious workers. But the Committee of the House inquiring into the Hull Printing Bureau has shown that some of them are not above providing themselves with some pretty handsome tools to ease the rigors of the daily grind.

WINNIPEG — T. L. MARTIN

. . . some of those fancy Dans employed by the Ottawa government will need a whole flock of angels to help them convince the taxpayers of Canada that their money hasn't been literally poured into the creek . . .

VANCOUVER — HERBERT WILLIAMS

Agreed that there may be some political advantages in turning over the inevitable muck-heap left by an arrogant and careless previous administration. But the eager young Tory probers must watch carefully that civil servants are not imperilled just through obeying the orders of their former bosses.

TORONTO — J. L. JAMESON

. . . if the present government succeeds in destroying the morale and high efficiency of Canada's Civil Service it will cost this country many more millions of dollars than were ever sunk in any piles of brick and mortar . . .

OTTAWA — RENE MORIN

On the Beam?

By what stretch of the imagination can your Ottawa correspondent describe the Diefenbaker government as "the most radical administration in Canada's history"? When a government rightly interprets the feelings and wishes of the whole people and vigorously translates these into courageous action it is certainly on the beam and far from radical. Canadians were fed up with the Liberals who had become dull and stagnant; John Diefenbaker has responded to his election with imagination and action. No wonder he is popular.

MONTREAL — JOHN WILLIAMSON

How right your Ottawa correspondent is when he says that the Tory government has "hatched some scrawny economic chickens which will cause trouble when they come home to roost". That is the way it is with every radical administration; they sacrifice the future to the immediate needs of the day. Our children will long bear the burden now being laid upon them by current reckless policies.

HALIFAX MORDEN PALMER

A Matter of Degree

I have noted your comment with more than ordinary interest. But just tacking a couple of letters of the alphabet behind the names of graduates of RMC won't make the slightest difference. That institution has long been noted for turning out two kinds of product. Some become fine soldiers and courteous gentlemen; others become prigs, and prigs they remain throughout Service or Civil life.

BRANDON WILLIAM MORRIS

Granting of academic degrees to the hard-working graduates of our Service colleges is a long-last step in the right direction. Let's hope that the authorities pay no attention to the snide remarks of your correspondents.

TORONTO L. R. S. SIMS

. . . maybe when they get degrees of their own the professional soldiers will gradually lose their tendency to look down their noses at the possessors of real academic degrees.

KINGSTON ROBERTSON WILKES

Lap Land

As you point out editorially "the State of Israel is the child of the West and cannot be abandoned." In other words, the West is now in the position of the mother who was urged by a court-psychologist to give her problem-adolescent a sense of security and affection. "You mean I got take a big kid like that in my lap!" she asked indignantly.

It looks as though the State of Israel had landed in our laps whether we like it or not.

WINNIPEG R. K. S. THOMAS

Gasoline Wars

I'll tell the writer of that article in your last issue who benefits from so-called "gasoline wars". I do. If we encourage our wives to hunt "bargains" why shouldn't we? It's pretty hard to tell a consumer that he is better off paying high prices.

WINDSOR LUCIEN D. LAJOIE

. . . I know a fellow who chases these "gas wars" around in his car. The sap burns more gasoline than he ever did before. Who benefits? I think the answer is obvious.

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Ottawa Letter

by John A. Stevenson

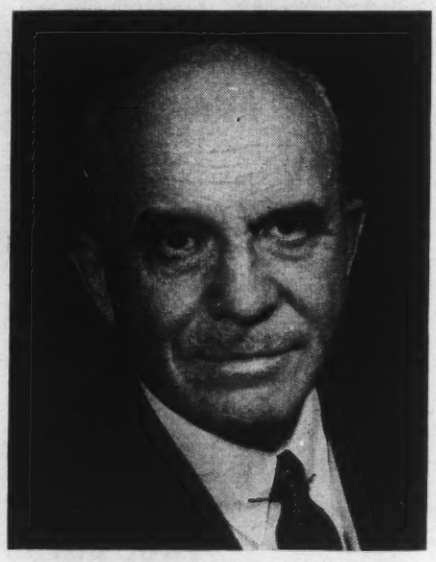
Good Work by Committees

PARLIAMENT, on the whole, can show a very creditable record of accomplishment. It has passed a variegated amount of legislation, most of it non-controversial in character, and particularly valuable has been the work done by different committees of the House of Commons.

The committee on estimates has at last turned the searchlight of publicity upon the wastefulness of the administrative practices of the Department of National Defence and advocated a drastic curb upon it. It criticised severely the maintenance of separate medical, chaplain and provost services by each of the three branches of the armed forces and it exposed a deplorable waste of over 6 million dollars by the Navy upon a gadget, whose production was abandoned when it was discovered that it was going to cost 20 times as much as a similar British gadget. This committee also questioned the advisability of huge future outlays on armaments of dubious value like the CF-105 plane and detected defects in the financial and other methods of certain Crown companies.

The report was the very reverse of a white-washing document and its harsh strictures upon the Department of National Defence must have been very embarrassing to General Pearkes and his officials, who have seen little need for the application of the pruning hook of economy. The Tory members, who constituted about three fourths of the personnel of this committee, were naturally zealous contributors to a report which exposed errors and extravagances either originating under or condoned by Liberal Ministries. Prime Minister Diefenbaker fulfilled his promise to appoint a Liberal, as chairman of the Committee on public accounts and Mr. Pearson's nominee for the post Mr. Alan Macnaughton Q.C. (Montreal-Mt-Royal) had to face the unhappy experience of helping the Tory sleuths on his committee to uncover the amazing story of the almost incredible expenditures upon the transfer of the National Printing Bureau from Ottawa to Hull.

Prime Minister Diefenbaker is too much of a rhetorician and crusader ever to be a parliamentarian of the first rank, but he is now a shrewd and experienced tactician and gave his party vigorous leadership in the Commons, while both he and his deputy, Howard Green, refrained from taking advantage of the numerical weakness of the opposition and showed habitual consideration for its rights. In controversial debates the Prime Minister found his most effective helpers in Mr. Fleming and Mr. Fulton and the former, in handling the passage of his Budget, profited by a new serenity of temper towards his critics. Mr. Hees, The Minister of Transport, Mr. Knowlan, Minister of



Mr. Churchill: Extraordinary conduct.

National Revenue and Mr. Harkness, Minister of Agriculture all enhanced their reputations by their performances in Parliament and at intervals J. M. Macdonnell, who has charge of no department, made a useful contribution from his fund of mellow wisdom.

Mr. Churchill, as Minister of Trade and Commerce, made a promising start, but it will be some time before he recovers from the blow, which he dealt to his own reputation for common sense and integrity by his extraordinary conduct in connection with the document entitled "The Canadian Economic Outlook for 1958". By contrast Dr. Sidney Smith, the Secretary for External Affairs, after a very disquieting debut in this role, has been acquiring a surer touch about international problems, but he must have the uncomfortable feeling that the Prime Minister's habit of making pronouncements and answering questions about these problems indicates a lack of confidence in Dr. Smith's ability to deal with them adequately. None of the other ministers have made any serious gaffes, and they all give the impression that they are no better and no worse than their Liberal predecessors, but none of the French-Canadian members of the Cabinet has so far given any sign that he is likely to meet the prime need for Mr. Diefenbaker, for a French-Canadian lieutenant of the calibre of Sir George E. Cartier or Ernest Lapointe.

The proceedings of the session have shown that the large contingent of new Tory members contains a substantial quota of reasonably competent politicians, but none of them have impressed observers as the possessor of the brilliant gifts whose display in a first session at Ottawa give, as in the case of Arthur Meighen, clear promise of future political fame. Richard Bell (Carleton) stands out as the most promising of the Tory recruits and David Walker (Toronto-Rosedale), who is a special favorite of the Prime Minister, is obviously marked out for promotion.

On the Liberal side Mr. Pearson has been gradually learning his job as leader of the Opposition and acquiring a mastery of parliamentary tactics, which he had hitherto lacked. But the disposition of the Government to sponsor policies both in the domestic and international fields which are in a reasonable harmony with the prescriptions of the Liberal party, has made it very difficult for him, except on odd occasions, to make vicious frontal attacks upon the Government and so he has had for days on end to be content with criticising details of the Government's policies. By temperament and training Mr. Pearson has an aversion to bitter controversy but his second-in-command Mr. Paul Martin revels in it and, since he has in many ways the best intellectual equipment in the present House of Commons, and has a sharp cutting edge to his tongue, he has been a very successful baiter of Ministers, Mr. Benedickson (Kenora-Rainy River) has made a good start as the financial expert of the Liberal party and Lionel Chevrier (Montreal-Laurier) has in his vigorous interventions in debates set a good example to his French-Canadian colleagues, some of whom have revealed unexpected competence as speakers in English.

The eight survivors of the CCF were obviously determined to make persistent assertiveness in debate atone for their party's numerical weakness and the work involved in preparation for their interventions bespoke assiduous industry. Their leader, Mr. Argue, cannot fill Mr. Coldwell's shoes but he showed that he is something more than a specialist on agricultural problems and he got valuable assistance from H. W. Herridge (Kootenay W.), who is the only real humorist in the present House, and from Harold Winch (Vancouver), who is a very experienced

controversialist and has ceased to be a firebrand. But Mr. Argue must have been gratified by the parliamentary ability displayed by the quartette of young recruits to his party, notably Frank Howard, (Skeena-B.C.).

Early in August, each of the two senior parties managed to score heavily against its ancient adversary. The publication by the Toronto *Star* of long excerpts from the survey styled "The Canadian Economic Outlook for 1958", which economical and financial experts of the Ministry had as usual produced, placed the Prime Minister and his cabinet on a very hot spot. It offered a much less roseate prognosis of the country's economic fortunes in 1958 than Mr. Fleming had made in his Budget. He had, for example, forecast that during 1958 the value of our gross national production would rise 2% above the level of 1957, but the authors of the report would not predict an advance of more than .07%, which would be tantamount to a setback, because in the 12 months which elapsed since the publication of the prospectus for 1957 there had been a substantial enlargement both of the country's civilian labor force and its industrial structure. Mr. Fleming had also claimed that the peak of unemployment has been passed and that a progressive decline in it lay ahead but the experts did not share his optimism and predicted an upsurge of unemployment in the fall.

Last January the Prime Minister, on the very day that Mr. Pearson made his debut in Parliament as leader of the Opposition, used a similar document called "The Canadian Economic Outlook for 1957", which he found among the governmental archives, as a weapon for delivering a body blow at his new adversary. Charging that the gloomy terms of this document, which gave a clear warning of the danger of a quite serious recession, were completely at variance with the glowing prophesies about the country's certain advance to greater prosperity exuded by Walter Harris in his final Budget speech, Mr. Diefenbaker accused Mr. Pearson of being a party to the heinous crimes of the St. Laurent Ministry in deceiving the Canadian people and their parliament by concealing a report which made a farce of their pronouncements about the economic outlook and in failing to make any preparations for coping with the recession about which they had been warned. He made the welkin ring with denunciations of their culpable behavior and all that Mr. Pearson and his associates could do was to accuse him of making use of confidential report for partisan ends and violating traditional rules about the relations of Minister and civil servants.

But now the Diefenbaker Ministry was caught redhanded in following exactly the course of action which they had condemned so vehemently early in the year and the defensive explanations of their conduct offered by the Prime Minister and Mr. Fleming were feeble and unconvincing. But it was Mr. Churchill, the Minister of Trade and Commerce, who cut the sorriest figure in long debate on the subject and the equivocations and subterfuges to which he resorted, were highly discreditable and caused his stock to sag downward sharply. A Minister, who challenges the veracity of several reputable members of the parliamentary press gallery, as Mr. Churchill did, is obviously stupid as he forfeits the confidence of that body forever.

But the Tories had a revenging rod in pickle for lambasting Mr. Pearson and his party. The first task assigned to the committee on public accounts was an investigation of the scandalous cost of the new Printing Bureau, and, with David Walker in the role of chief prosecutor, its Tory members found fields white for their harvesting. The original estimate of the cost of the bureau was about 6 million dollars but already over 16 millions have been spent on it and an additional outlay of $700,000 will be required to cure the proved defects of an air-conditioning system, whose installation cost between $500,000 and $600,000. No less than $1,800,000 was paid for a site which was palpably unsuitable, because an underground creek which flowed under it made a very special costly foundation necessary.

And Mr. Cormier, the Montreal architect, who planned the building, has already received a fee of over $548,000 for his services and claims a further $60,000 which has been withheld. E. A. Gardiner, the chief architect of the Department of Public Works, has testified that from its inception in 1945 the whole project was persistently bedevilled by faulty design, muddled planning and needless extravagance, against which he protested in vain, but the full story will not be known until other key witnesses give their evidence.

Mr. Pearson: A rod in pickle.

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Will Foreign Cars Force Detroit To Return to Model-T Thinking?

By David Grenier

NEW MODELS of North American automobiles will appear within the next few weeks. Informed guesses suggest they will be longer, lower, flashier, and possibly more expensive, than the current crop.

These are the styling characteristics which the Big Three auto makers—General Motors, Ford and Chrysler—publicly say they think the public wants. In private, however, they seem to be having their doubts.

When Chrysler announced recently it had bought the 15 per cent Ford interest in Simca, a French builder of "compact" cars, it gave tacit admission to the charge that at least not all North Americans are happy with Detroit-type cars. The announcement also strengthened the belief that both Ford and GM will build their own smaller cars in North America this year or early next year.

In fact, the North American automobile industry seems to be in a unique dilemma—attack from both within and without.

On the one hand it is up against what looks to be the beginning of a consumer revolt, marked by a shift of spending from automobiles to other goods and services. On the other, it is steadily losing ground both in Canada and the U.S. to imported British and European cars.

In Canada this situation has become most marked,

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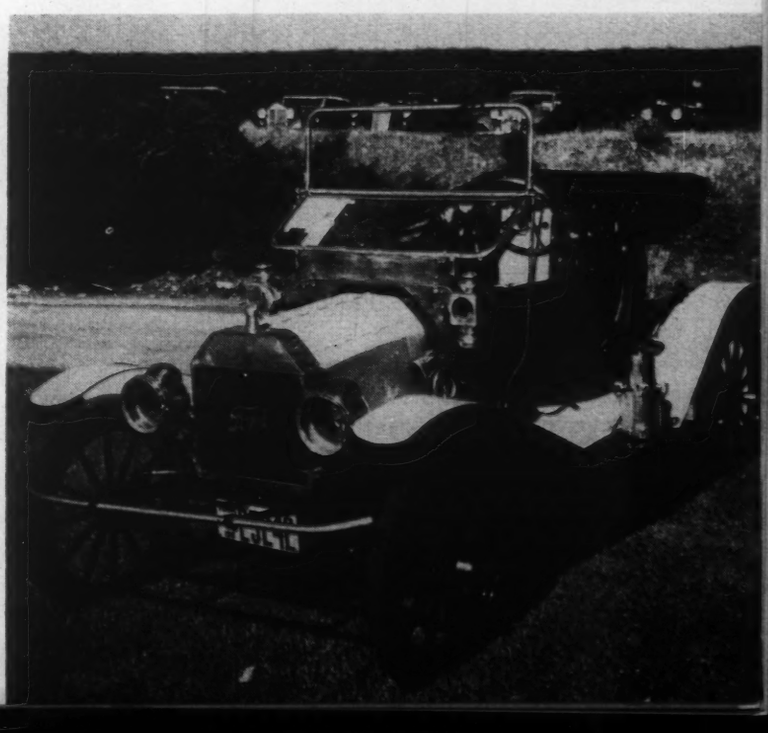
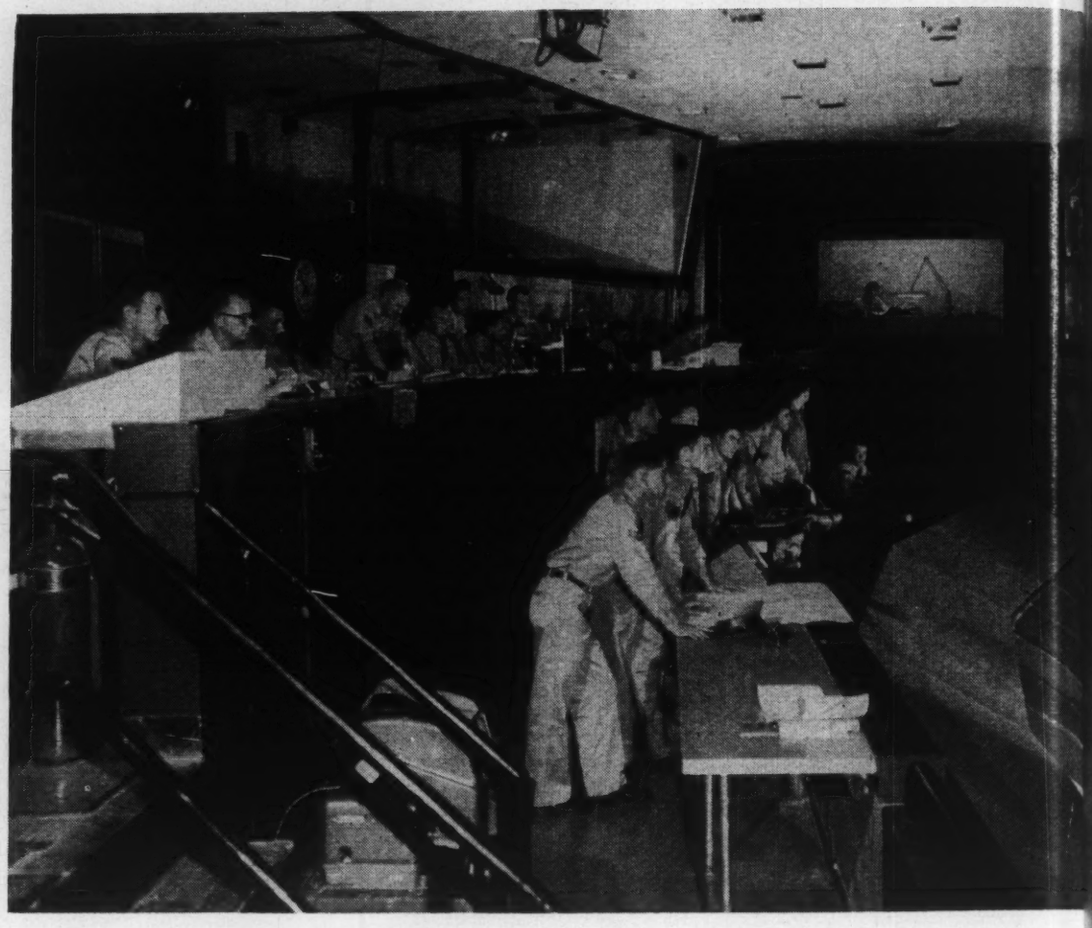
The U.S. automobile industry is in the process of serious soul-searching in the face of a shift in spending from cars to other purchases and imported competition.



Ford's Model T put a nation on wheels, extending automobile ownership into lower-income brackets.



The dais of NORAD combat operations centre. The men analyze data displayed on three-storey surveillance board, relay information to points in Canada, U.S.

How NORAD Worked In Mid-East Crisis

By Norman DePoe

THE CRISIS in the Middle East has, among other things, afforded Canadians a chance a see how the much-debated joint North American Air Defence Command at Colorado Springs would work out in practice.

To a non-military observer, trained on movies and the more perfervid TV dramas, the actual process of alerting extra defences over an entire continent was almost dramatically undramatic. No one ran down any corridors, or barked into telephones. No one was recalled from leave—or even from lunch.

Between a Tuesday morning and a Tuesday night, perhaps the most visible difference noticed was that the senior officer on duty in the big, dimly-lit Combat Operations Centre had become a two-star general instead of a colonel. The electric signs which remind everyone of the current situation flashed to "INCREASED READINESS," and "INCREASED INTELLIGENCE." Other boards indicated that the (classified) number of fighter planes, missiles and other defences ready for instant action all over North America had been increased to a higher (and if possible still more classified) total.

Meanwhile, the normal 24-hour-a-day watch continued. Occasionally, an airman or a WAF in trim slacks would mark a small orange arrow somewhere on the 600-square-foot plexiglass map of North America which dominates the operations centre. Beside it—the map workers operate from the rear of the transparent sheet and must learn to write backwards—would appear coded information on the height, speed and number of planes caught by radar in a place no aircraft were supposed to be.

In most cases, a teletype would chatter out a message not much later, and the arrow would be casually erased. Once, two fighter planes somewhere in the northeastern United States were "scrambled," to make a visual indentification when a check of airline schedules and flight controllers failed to identify an unknown track. It turned out to be a private plane whose pilot had forgotten to file a flight plan.

For the men and women on duty at NORAD, this

At the NORAD headquarters at Colorado Springs, nobody ran down corridors, barked into telephones. No one was called back from leave but the whole system quietly shifted into high gear.

Gen. Partridge (left) and deputy, Air Marshal Slemon of Canada. "If the air marshal says go, we're going to go."

is routine. In some weeks, scores of unknown radar tracks turn up on the big map; perhaps 15 to 25 times a week, fighters somewhere in North America, including those of the nine RCAF squadrons, are sent up to make a visual check. Occasionally, bombers of the U.S. Strategic Air Command come home by an unexpected route, simulating the numbers of high-flying aircraft that might compose the initial phases of an attack. This sort of test not only keeps the NORAD staff on its toes; it also points up the obvious necessity of keeping trigger-fingers inactive until identification is positive.

Gen. Earle E. Partridge, commander-in-chief of NORAD, freely admits that one of his gravest responsibilities is a negative one: avoidance of a continent-wide false alarm.

Entirely apart from the explosive resentment that would be aroused in millions of people if the spectre of nuclear war was suddenly—and wrongly—proclaimed a fearsome reality, a false alarm could have serious consequences. If not recalled in time, it could result in grounding of all civil air traffic under the plan called "Operation SCATER." Civil defence authorities might begin evacuating cities. The dislocation, acceptable and inevitable in a genuine emergency, would be enormous.

It was against this background that Gen. Partridge and his deputy, Air Marshal C. Roy Slemon of the RCAF, had to consider what action to take in view of the Middle East crisis. As Gen. Partridge put it himself: "In this case, the situation built up over several days."

"There was time for full consultation. We were able to telephone the chairman of the chiefs of staff committee in Ottawa, and the Chiefs of Staff in Washington. During these telephone conversations it was agreed that NORAD would go to a state of increased readiness."

A secondary decision, perhaps just as important, was how to inform the public of the decision. On the one hand, the increased alert was a purely precautionary measure. Though a number of bellicose statements had

(CONTINUED ON PAGE 30)

WAFS write backwards on plexi-glass board so battle staff can read data.

Main surveillance board shows data from radar sites in Canada and U.S.

Barney Balaban, the president of Paramount Pictures, inserts coin in the telemeter to demonstrate pay-TV system. The Canadian company is Trans-Canada Telemeter Ltd.

At least two companies have plans afoot to introduce subscription television to Canada but there are many problems to solve before loot-in-the shoot TV can become a successful reality.

By Gordon Donaldson

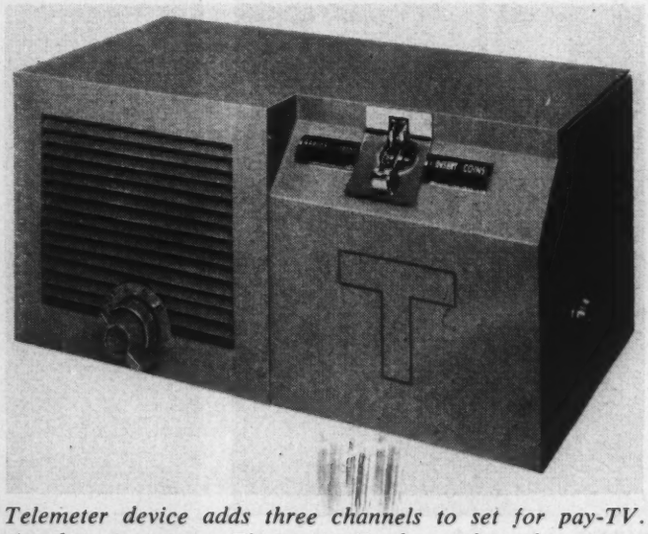
Pay TV: A First For Canada?

PAY-TV is coming to Canada. Currently, two companies have outlined plans to introduce subscription television to Canadian viewers. One may be on the market within the next few weeks.

Because Canadian air is clearer of controversy and the frenzied lobbying practised in the U.S., the initial tryouts could result in Canada being the first country in the world to have a full-scale pay-as-you-see system. But, as with any other new venture, there are substantial problems still in the way. Some skeptics within the industry, for example, say all currently proposed pay-TV systems are economically unsound.

Despite such objections, however, both Electronic Feeders Registered, which operates the U.S. Selectovision process in Canada, and Famous Players Theatres chain, which holds the Canadian franchise for the U.S. Telemeter method, have announced plans to experiment in different parts of Canada.

Electronic Feeders expects to test four areas this Fall. Two will be in Quebec, one in Ontario and one in western Canada. The company intends to operate where large numbers of TV sets are serviced by one communal antenna, thus minimizing the cost of cable to carry the program. Telemeter, on the other hand, plans to try out with several thousand homes in London, Ont. next Spring. The company is negotiating with Bell Telephone Co. to string cable from telephone poles into subscribers' homes to carry the programs.



Telemeter device adds three channels to set for pay-TV. Another company, Electronic Feeders, also plans tests.

There is nothing particularly new about the equipment to be used in pay-TV (or "Fee-Vee", "Loot-Down-the-Shoot", "Turnstile TV"). Nor is unsponsored programming new.

The real attraction lies in subscription TV's claim that it can put the ultimate in entertainment within the reach of either mass or class audiences.

The American networks, to judge by the savagery of their attacks, believe this. They have a billion-dollar advertising business at stake, and pay-TV is terrifying them the way they terrified Hollywood ten years ago.

Listen to Dr. Frank Stanton, president of CBS, condemning a proposed experiment with broadcast pay-TV: "To launch an explosive missile from Cape Canaveral . . . is an experiment. To drop the missile on Pennsylvania Avenue is not an experiment."

According to Stanton, pay-TV is "a question of national policy in which the public has an enormous stake."

The best programmes now offered by commercial TV —the networks prefer to call it "free TV"—would, he claimed, be restricted to "the carriage trade."

TV, he said, was a democratic, unifying force—"and the best in TV is available to all."

Pay-TV boosters say the present best is not good enough. Programmes are mediocre, partly because the rating system demands a mass audience and partly no sponsor can afford to rent a good first-run movie or a Broadway show.

The battle has raged for five years in the United States. At present the pay-TV systems, having been lobbied and kicked from the Federal Communications Commission to Congress and back again, are denied air channels.

The alternative, which requires no government permission either in the U.S. or Canada, is to feed in programmes by wire.

However, nobody wants to hang millions of dollars worth of equipment on telephone poles if the governments are later going to relent and offer free air space.

In Canada, the Fowler Commission report has recommended no pay-TV just yet. The commission considered this was not a "rightful use" of the airwaves, but added that the door should not be closed on the idea for the future.

The CBC policy of allowing only one TV station either public or privately owned, per market area, effectively shuts out pay channels. But the Diefenbaker government is considering opening up the field.

Pay-TV, with its lure of new Hollywood films, means almost by definition the end of the neighborhood theatre. Most theatre chains ally themselves with the networks in fighting it. The rest are preparing to join it.

Hollywood, which has already written off the small theatres, has a beady eye on pay-TV.

Paramount owns 90 per cent. of International Telemeter which proclaims: "The Telemeter Philosophy in One Word—Cash!"

This is one of several major systems involved in the U.S. struggle. Others including Teleglobe, which sends an unscrambled picture without sound, the subscriber

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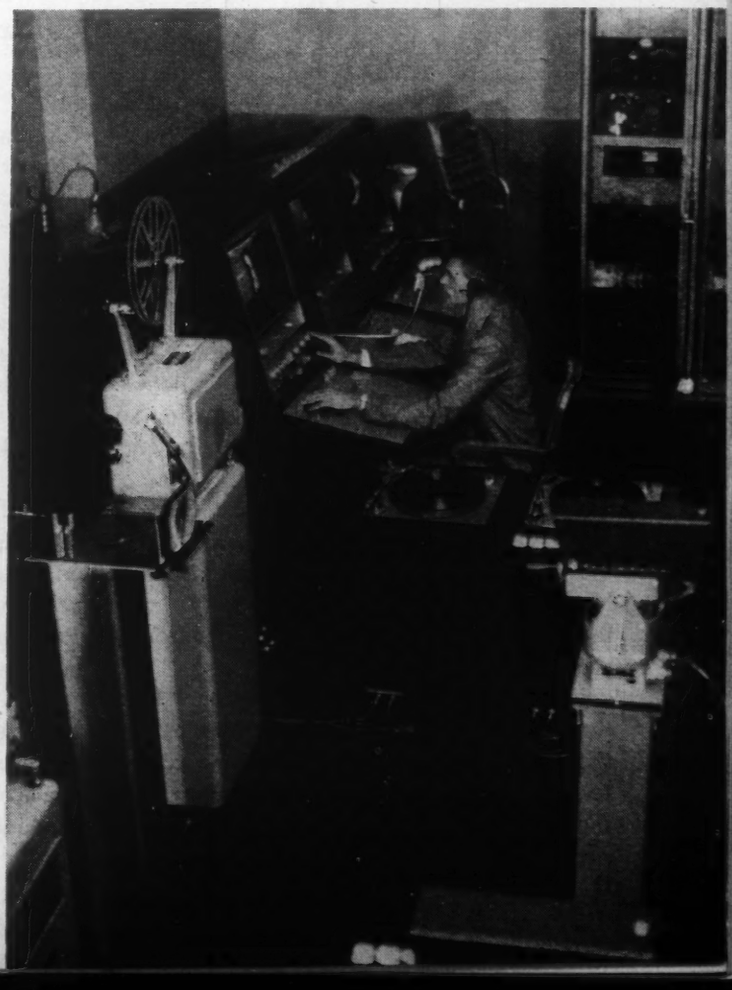
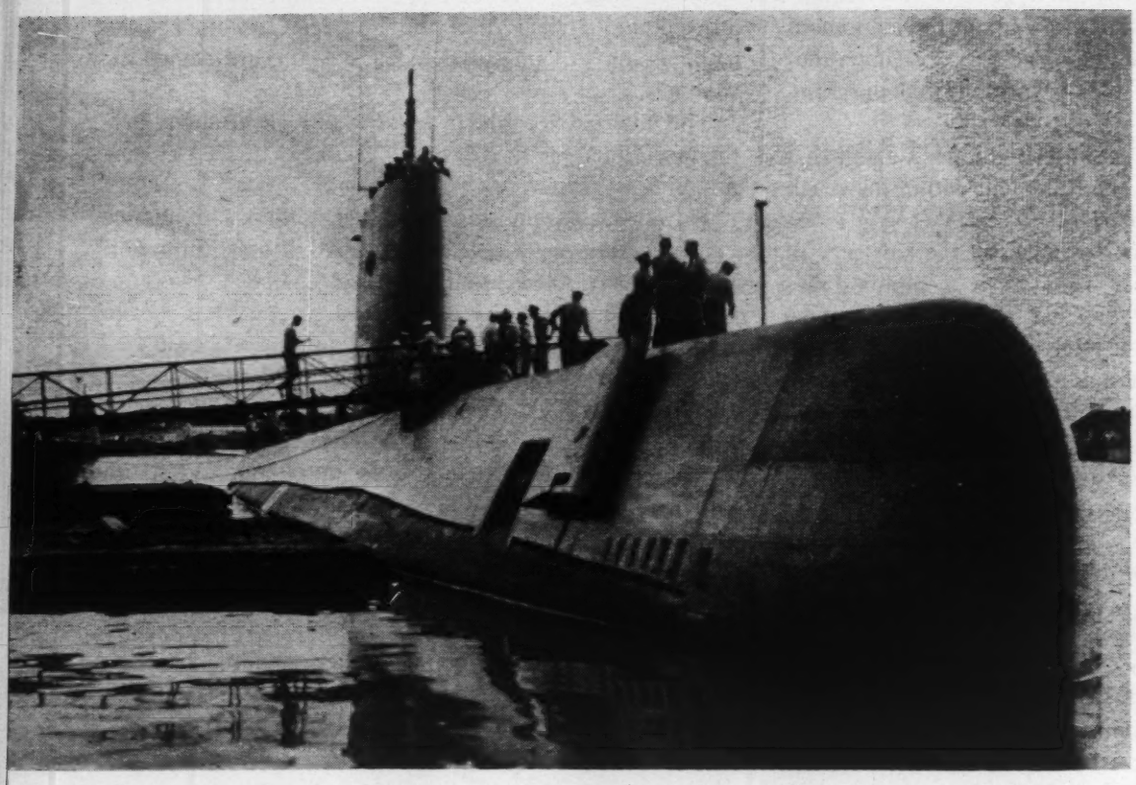
With the "idiot's lantern" already dominating most of the country's living-rooms, something extra is about to be added. The question is not can we afford it, but will we be able to stand it?



The telemeter studio is run by one man. The system is designed primarily for showing of movies on TV.



The atom-powered Nautilus at Pearl Harbor before her historic trans-polar voyage. Canadians are wondering how far her voyaging involved her in areas which have come to be regarded as "Canadian Waters".

Polar Ice and Arctic Sovereignty

By Maxwell Cohen

THE JULES VERNE DREAM of his "Nautilus" sailing serenely under the Antarctic ice, a bit of superb science-fiction in his day, has come true in ways that neither he nor his readers for the past three generations could really have anticipated. For the other day a "Nautilus" did sail under miles of ice many feet thick for four days from about five miles north of Point Barrow on the Alaskan Arctic coast all the way through to the Atlantic entrance of the Arctic Ocean on the northeast side of Greenland, presumably somewhere in the Barents Sea between Spitzbergen and the Soviet islands of Novaya Zelmya.

Another atomic submarine, the Skate, entered the Arctic Ocean between Greenland and Iceland, went under the polar ice cap and, in the words of the United States Navy announcement of August 5, ". . . the Skate surfaced in an icefield about forty miles from the Pole and reported the effect of her polar transit. The submarine is continuing her under-ice exploration." In contrast with the extraordinary exploit of the Nautilus which traversed the seas under the entire great polar ice pack from west to east, the Skate had a much shorter sub-ice run from the open water between Iceland and Greenland to the North Pole where it surfaced in the limited open areas available at this time of the year. In planning to return by the same route to the Atlantic, the Skate will avoid the very long run westward under the ice-pack that would be required to take it out to the Bering Strait from which point off the Alaskan coast the Nautilus began its historic voyage.

It goes without saying that these are momentous events in the long story of Arctic voyaging. There is more than mere generations that separate Sir John Franklin from these fission-powered modern expressions of scientific and military aspirations. The Arctic has always stood for some kind of romantic frontier. Even today, despite the peopling of its wastes with bases and radio stations, it continues to present a remote and bleak hospitality. Of course the vast white miles of the Antarctic, too, are yielding slowly to the geographers' survey as many expeditions criss-cross its crevasses during the International Geophysical Year. Yet even Antarctica does not outweigh the Arctic in its romantic appeal to the modern imagination. And now that the Nautilus has made the full undersea voyage that Jules Verne visualized for his readers and Sir Hubert Wilkins actually planned a few

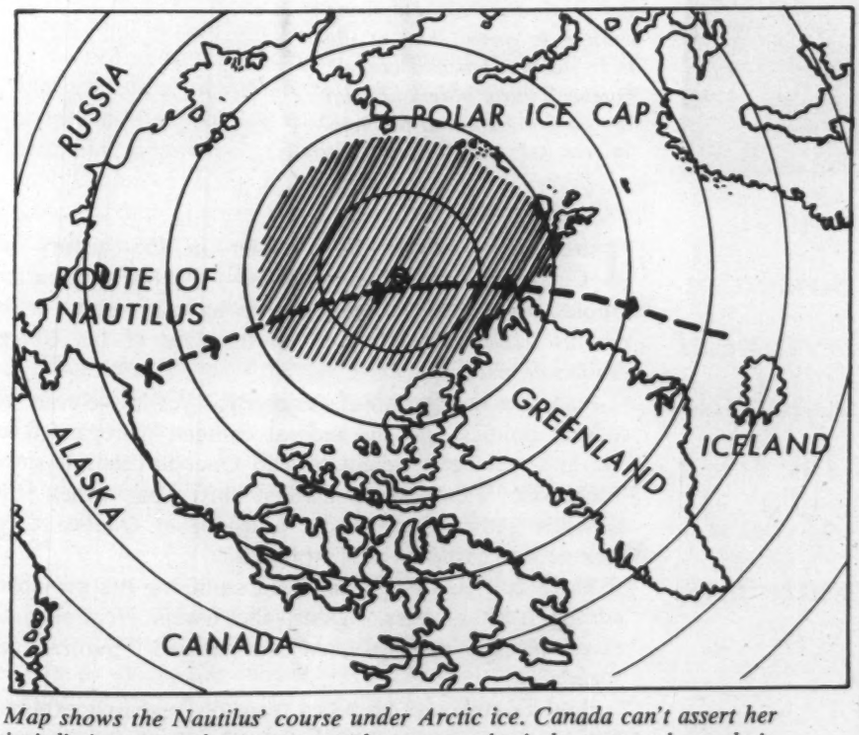
years ago—with much less manageable equipment—the Arctic seas become another arena among the many that now provide military and strategic vantages in the continuing contest of East and West.

For it will not be lost upon the Russians that atomic-fueled submarines can roam beneath the ice pack, not only under that portion of the pack regarded as the North American "sector" but also within the Soviet angle of "presumed" authority as well. How dangerous this may be to either side, with submarine-launched missiles such as the Polaris having a 1,500-mile range—and perhaps in the near future a 2,000 and 3,000-mile range—requires no great military imagination to understand. So the Arctic waters, now with Arctic air-space, are all a potential battleground while the romance of exploration and dog-team yields to the cruder demands of polarized power.

Not a few Canadians must have wondered, when these announcements about the Nautilus and the Skate were made by the United States Navy, how far their wanderings in these deep, cold seas involved movements in what had been regarded as "Canadian waters." Indeed, the recent exchanges in the House of Commons between the Prime Minister, the Minister of Northern Affairs and the Leader of the Opposition on August the 14th, 15th and 16th, revealed how continuingly sensitive we are about

Cmdr. William R. Anderson, Nautilus skipper, welcomed in London. Another atomic submarine, the Skate, made further explorations under the Arctic Ocean's ice-fields.

Canada ought to define her claims in the Arctic as soon as possible and when necessary and reasonable stand firmly behind them in face of any opposition.



Map shows the Nautilus' course under Arctic ice. Canada can't assert her jurisdiction over the ice cap without control of the waters beneath it.

many aspects of Canadian/United States relations and, too, how many gaps there remained in creating an integrated Canadian conception of our Arctic north.

To understand the nature of Canadian claims in the Arctic, some legal, historical and geographical perspectives are required. The Canadian Arctic comprises all the islands between Davis Strait, Baffin Bay and Kane Basin on the east to the Beaufort Sea on the west. This mass of islands, some of which have been charted, and even discovered, only recently, is known also as the Canadian Archipelago and they are all part of the Northwest Territories and mostly within the Franklin District — the other two districts being the District of McKenzie and the District of Keewatin. For administrative purposes the islands are divided into three regional

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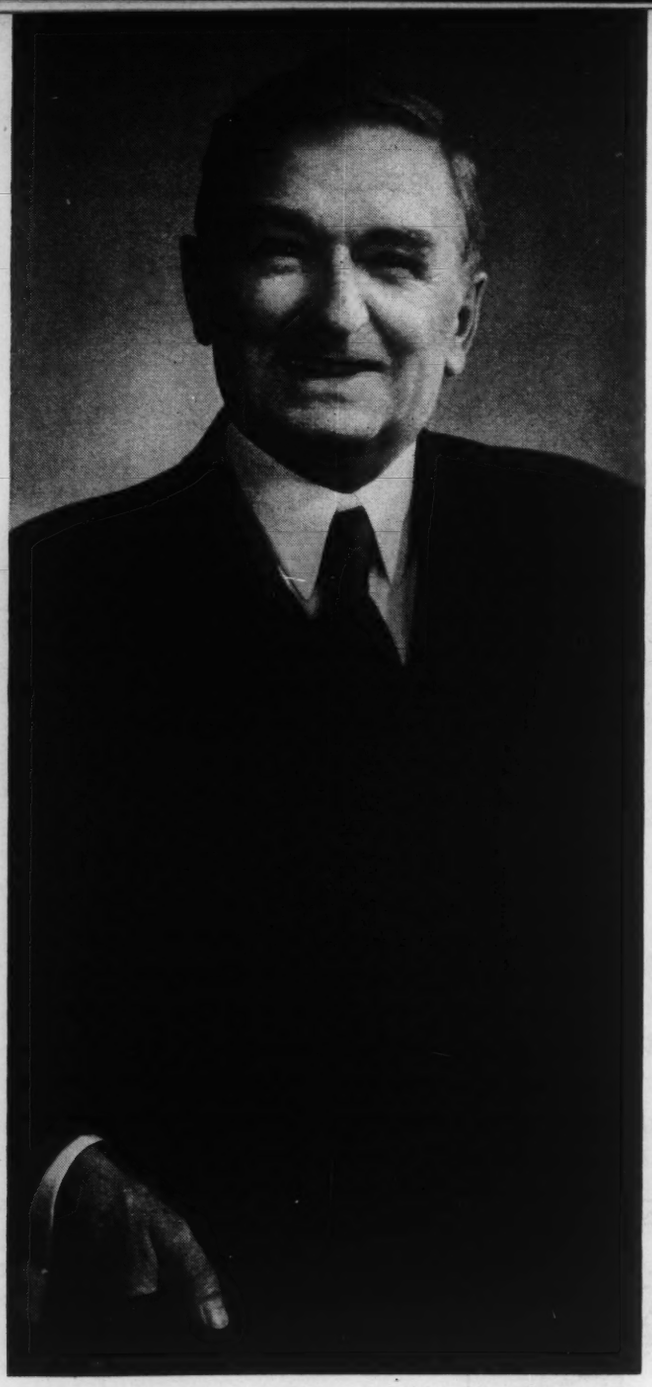

Maurice Duplessis:

Can He Survive The Gas Scandal?

By Robert Walker

Will uproar over the natural gas deal discredit Duplessis enough to unseat him at the next election when it comes? Quebec's rural voters are not too concerned about financial shenanigans in Quebec City.

Duplessis himself won power in 1936 on the issue of Government corruption. His Liberal opponent Jean Lesage may repeat the trick armed with charges of skulduggery in Union Nationale gas.

THE MOST POWERFUL premier in the history of Canadian provincial politics — Quebec's Maurice Duplessis—appears at long last to have a serious crisis on his hands. But time is on the side of his *Union Nationale* party.

Jean Lesage, youthful, energetic, yet a veteran of federal politics and the federal cabinet, is regarded as the first real heavyweight to lead Quebec Liberals since Alexandre Taschereau. Earlier this year, when the Liberals gathered to choose a leader at Quebec City, Lesage won easily on the first ballot.

Since July 9, Lesage has been stumping the province, adding fresh charges, against the *Union Nationale,* to those already arising from the alleged "natural gas scandal".

And Lesage says he has a team of "research experts" looking into as many *Union Nationale* closets as they

Jean Drapeau (left) dislikes Duplessis even more than Liberal Jean Lesage (right) but is one of Liberals' embarrassing problems.

can pry open. Among the skeletons that have already tumbled out, Lesage claims, are expensive roads that go nowhere—except to the fishing camps of cabinet ministers.

However, Duplessis, at 68, is a wily competitor, the only man to be elected premier of Quebec five times. His party won 72 of the 93 seats in the election of June 20, 1956.

Unless Lesage can think of something to force an election right away, Duplessis is under no legal obligation to call one for years. The appointment of a Royal Commission to look into the gas scandals is impossible without Duplessis' consent. So it's conceivable—even likely—the *Union Nationale* will sit tight, say nothing, and trust the voters to have short memories.

According to the influential Jesuit magazine, *Relations,* and according, of course, to Liberal spokesmen, the explanations forthcoming so far from the Quebec government have amounted to saying nothing.

Relations says, in an August editorial: "Serious and quite explicit charges have been laid. They have been denied, but they have not been refuted." The magazine also wonders why the price of natural gas, to its 250,000 users, went up immediately after the sale of the gas company to private interests.

The news from Montreal was a little confused the week of June 13, when the first allegations were made. This is what happened:

The morning of June 13, *Le Devoir,* a newspaper which consistently attacks Duplessis, said it had uncovered "a $20,000,000 market coup", involving the sale by the government owned Quebec Hydro of its natural gas business. The buyer was the privately owned Quebec Natural Gas Corp.

In a nutshell, *Le Devoir* charged that the same people —*Union Nationale* wheelhorses—were doing both the selling and the buying, at a profit of $20,000,000.

The paper said six cabinet ministers, which it didn't identify, and "possibly Premier Duplessis himself", were involved. The gas company's promoters, according to *Le Devoir,* were represented by seven Montreal investment houses, which got the promoters an immediate, nontaxable capital gain of $9,000,000. The newspaper also said the promoters had put up only $50,000 to "negotiate for the purchase" of a $39,000,000 asset.

That morning, the news editor of an English-language daily in Montreal sighed, "Oh dear, Upton Sinclair is loose again." The reaction was that here we had another vague accusation from *Le Devoir,* that "somebody up high is crooked."

Specializing in political exposés, *Le Devoir* does tend to hysteria at times. It skirts financial disaster, partly supported by donations from its 18,000 readers.

But at this time, the paper displayed a neat sense of showmanship, by holding its heavy ammunition until the second day. On June 13, Duplessis, calling the story a cheap libel, challenged *Le Devoir* to name names.

The morning of the 14th, it obliged with these: finance minister Jean Bourque; hydraulic resources minister Daniel Johnson; labor minister Antonio Barrette; roads minister Antonio Talbot; minister without portfolio Jacques Miquelon; Emile Tourigny, executive secretary to Duplessis; legislature members Jean Barrette, Albert Bouchard and Jean Louis Baribeau; Edouard Asselin, government leader in the legislative council; and Mrs.

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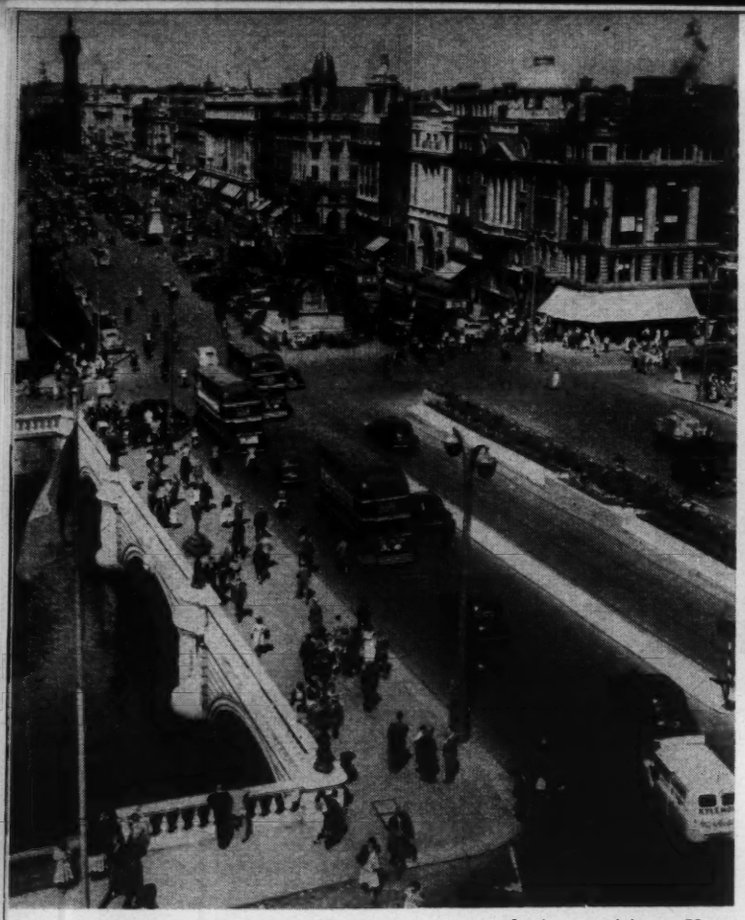
The premier seems determined to ride out the storm in silence, supported by his smooth political machine.



Dublin is one of Europe's most glorious cities. Here is O'Connell Street with business and public buildings.

The River Liffey intersects the city. Its tree-lined quays offer promenades and handle busy traffic toward the harbor.

Most Irish hunts welcome Canadian visitors and country is magnificent. Here are the hounds of the Wexford Hunt.

The charm of rural Ireland. Glendaloch, Wicklow County, showing the two lakes which give the settlement its name.

Dunlaoghaire, the "gateway to Ireland" is where many visitors get their first glimpse of the rolling hills.

Cahirciveen, County Kerry, at the foot of Bantee Mount is the birthplace of Daniel O'Connell, great liberator.

Traditional Irish dancing. Girls wear Celtic embroidery and boys the kilt and "brat", type of distinctive cloak.

Dromoland Castle in County Clare is one of the largest country estates. Many such offer travel accommodation.

Ireland for an Autumn Holiday

by Kevin Durnin

APPROXIMATELY 60,000 North Americans, including a high percentage of Canadians, will visit Ireland during this year. And, inevitably, approximately 60,000 new "Ambassadors for Irish Tourism" will return home, bringing with them a genuine love for the people and places of Ireland and leaving behind a heartfelt promise to be back again.

For those who have never experienced this strange charm of Ireland, there is still plenty of time to arrange for an Irish vacation this year—plenty of time to see "Ireland in Autumn."

Many tourists, and many Irishmen too, say that Autumn is the best time of all to visit the Emerald Isle. The bustle of the summer tourist season has passed, the great influx of visitors has subsided and the Irish themselves are settling down to a full and cheerful social season.

This is the time of year for the tourist who wants to wander unhurried, savoring the scenic wonders of rural Ireland; when the russet hues of Autumn tint the entire land with a new beauty. When by day, soft winds drifting across the lakes or whispering through mountain glens, caress the wanderer, sightseeing beneath a warm Autumn sun; when the almost imperceptible descent of darkness gives cue to thousands of stars to flash a twinkling greeting to the stranger. It is then, too, that the fragrance of countless turf fires reaches out from every Irish village to call the wanderer in and to welcome him to a night of yarning and story-weaving. This is when Ireland becomes the "Enchanted Land" that seems so well to inspire wistful and nostalgic memories in Irishmen the world over and to make of the more vocal of them the greatest authors and playwrights of the English-speaking world.

In the cities and larger towns, Autumn is heralded by the opening of a busy social season. Ireland's rich heritage in the arts is never more obvious than at this time, when opera, theatre, concerts, music and drama highlight the evenings in practically every city. An outstanding event this year will be the eighth annual Wexford International Festival of Music and the Arts, which will be held October 26 through November 2.

Wexford is a seaport town of less than 13,000 population, but such is the fame of the festival, visitors now flock there from all over the world. Opera, drama, orchestral concerts and films are featured; leading Continental operatic stars and musicians will participate in this year's festival and there will be special performances by Irish theatre groups. Prize-winning Continental movies are also scheduled and other features will include lectures and forums in which well-known figures from the world of arts and

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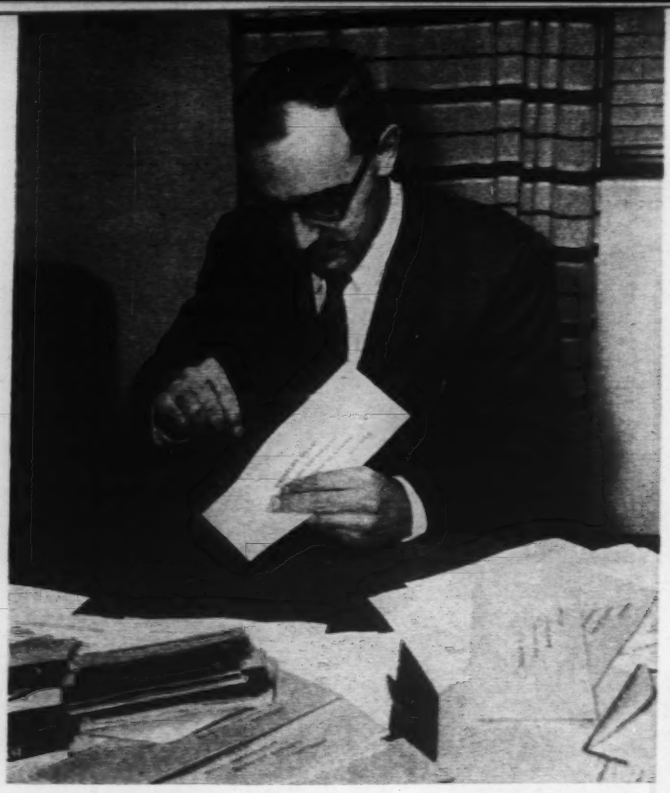
Christ the King church, Turner's Cross, in the famed City of Cork.



Government official opens bids in what must be the least spectacular but most important auction in Canada.

The weekly sale of treasury bills is the Bank of Canada's means of influencing the money market and fighting what it regards as dangerous inflation.

Treasury Bill Sale Helps Fight Inflation

By R. U. Mahaffy

SIGNS ARE GROWING that inflation is displacing the business recession as the major threat to Canada's economy. Some of the signs are big and clear—the spectacular rise of the stock market and the decline of the bond market—while others—the rise in the Bank of Canada's discount rate—are scarcely noticed outside a small group of professionals.

But in many ways the scarcely noticed indicators are more important than the flamboyant performance of stock markets. Such is the case with the bank rate, particularly as Canadian money markets may be headed once again for higher interest rates and a renewed "tight money" policy.

To the Bank of Canada inflation has been the prime threat to the Canadian economy for a number of years. With apparently renewed Government interest in fighting inflation—the Conversion Loan program, for instance, was billed as "anti-inflationary"—businessmen can expect both increasing controversy over the role of the central bank in Canadian monetary policies and the effectiveness of that sale.

Specifically, attention will focus on the operation of the Canadian money market—the process by which interest rates are determined and the supply of lendable funds controlled.

The operation of the money market itself hinges on a weekly auction of non-interest bearing, short-term government securities called treasury bills. Since treasury bills carry no coupon, they are bid for at less than par. It is this difference between the average price paid for treasury bills and the par value that determines the bank rates.

(Today, the bank rate (the rate at which the central bank will make advances to the chartered banks) is fixed automatically at one-quarter of one percent above the average treasury bill yield).

As auctions go, it's a pretty tame affair. The men from the Department of Finance, with the aid of Bank of Canada staff, sit down around a desk and open the tenders that have come in during the week by mail and wire from any or all of the chartered banks, the 300 investment dealers, and the Bank of Canada itself as banker for the government.

This is how the auction works. The first allotment of bills goes to whoever offers the highest price, for the quantity he desires to buy. Then allotment is made to the next highest tenderer, and the next, until the entire amount of the loan is allotted. Then the average of all the successful bids is calculated. This is the average on which the bank rate is based.

Why is this treasury bill auction an important facet of the nation's fluid, flexible, short-term money markets?

Well, for one thing there is an estimated $6 billion outstanding in treasury bills, short-term governments, finance company notes, and prime commercial notes.

For another, the treasury bill market is one of the channels through which the central bank's monetary policies are made effective.

Graham Towers, former Governor of the Bank of Canada, explained this to 1954 House Banking Committee in this way: "If a central bank is to be able effectively to perform its functions of regulating the amount of the commercial banks' cash reserves and in this way to exercise an influence on the whole credit structure and level of interest rates . . . it badly needs a broad market in government securities . . . "

At the time the Bank of Canada began operations in 1935 the short-term market outside the banks was almost non-existent. True, there was a market for middle and longer-term 'governments', but it was frequently difficult to trade in sizeable amounts.

One of the first steps taken in co-operation with the Government was to institute a fortnightly issue of treasury bills sold by tender. A few treasury bills had been sold in pre-bank days, but they were not a permanent feature of Canada's financial structure. Moreover, as there was practically no market for bills outside the commercial banks, they were not highly liquid and carried relatively high interest rates.

Now it is the practice of the chartered banks to hold treasury bills as a form of second line cash reserve. Actually, since the Spring of 1956 the banks have undertaken to maintain a minimum ratio of liquid assets (cash, day loans and treasury bills) of 15 percent of deposits.

To sum up: the short-term market was organized to put large amounts of temporarily idle cash to work; to give the Bank of Canada better control over the monetary system; and to provide the Government of Canada with an additional means of finance.

The average person is not often troubled with the problem of putting his idle cash to work. But a large corporation that has a dividend payment coming up or bond interest to meet can suffer serious loss of income from sums of money piling up in the bank.

To encourage the development of a broader market in treasury bills, the Bank of Canada in 1955 began auctioning bills every Thursday, instead of every second Thursday. The amount outstanding was boosted to $650 million and 273-day bills were added to the 91-day bills. Now, the weekly offerings are of 91-day issues.

The bank's next step was to bring investment dealers into the money market. Under purchase and resale agreements, dealers could sell treasury bills and short-term governments to the Bank of Canada with an undertaking to repurchase them over a short period at a predetermined yield to the bank. This enabled the dealers to keep large inventories to offer to their clients.

Then, in June, 1954, the bank initiated a "day-to-day" loan market. This enabled the dealers to borrow large sums from the chartered banks on small margin and at low rates of interest. The chartered bank could call a loan before noon and the investment dealer paid it back the same day by reborrowing from another bank or, as a last resort, from the Bank of Canada.

Because treasury bills are the most marketable securities available, they offer a relatively lower yield than government bonds of a similar term to maturity. They are available only in bearer form in denominations of $25,000, $100,000, and $1,000,000.

In 1955 the proportion of treasury bills held outside the banking system—mainly by corporations — exceeded 46 percent. Recently, it has fallen as low as 15.6 percent. This is due to the trend for Canadian corporations to invest in short-term government bonds instead of treasury bills because (until the conversion loan was announced) many low-coupon bonds were trading below par; and because the difference between the discount price and par for these bonds is capital gain and not taxable.

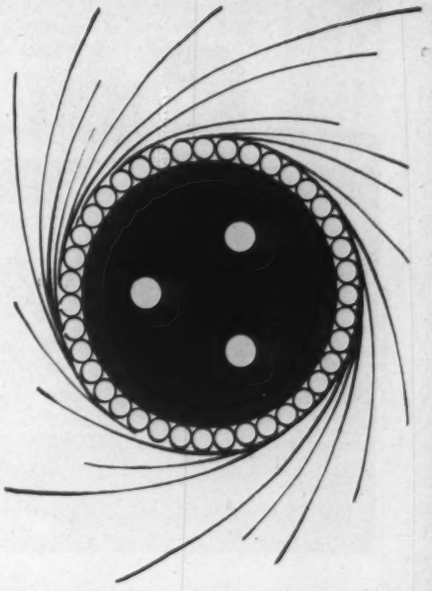
Another reason for the fall in the proportion of bills held by corporations has been the popularity of finance company notes and commercial notes. In the last eight years or so the amount of instalment and finance company notes outstanding has risen from $41 million to $329 million. These figures are for notes with a maturity of one year or less. However, there is a wide variety of maturities available from one month to one year in denominations as low as $5,000.

Finance company notes and prime commercial paper are bought because of the better yield offered. There is not as yet a real market for trading them; the buyer has to hold them until maturity.

It should not be forgotten that the Bank of Canada exercises control of the supply of money by operating in the open market in the purchase and sale of other securities.

The treasury bill market, however, gives the bank an opportunity, at least once a week, quite apart from buying and selling operations in the open market, to increase or decrease its holdings of government securities. And if it deems changes in the money supply brought about by the weekly issue of treasury bills undesirable, it can buy or sell securities in the open market to offset such change.

If the central bank preserves a strictly neutral policy in the treasury bill market, it can subscribe for the same amount of



Blazing a new trail

In 1955 a new kind of underwater cable was made. Surrounding its conductor heart was a combination of *Polysar Butyl rubber and polyethylene. A year later, reeled out over the hills and valleys of the ocean floor, it became the first successful trans-Atlantic telephone cable.

Thus a trail was blazed. Now a second cable is in the development stage to meet the ever growing demand for continent-to-continent telephone service.

Polysar Butyl and other varieties of synthetic rubber made by Polymer Corporation continue to make vital contributions to the cable—automotive—construction and many other industries.

POLYMER CORPORATION LIMITED SARNIA CANADA

POLYSAR

* Registered trade mark

Synthetic Rubber

Developed and Produced by

POLYMER CORPORATION LIMITED

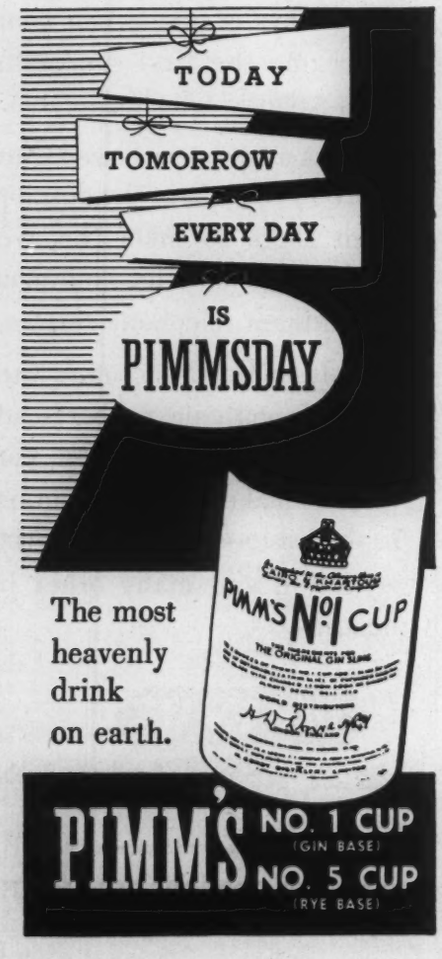
SARNIA • CANADA

The cigar that adds so much...

The excellence of House of Lords makes them the natural choice of men who appreciate fine cigars. House of Lords give you the true luxury of select Havana filler—the finest in the world.

House of Lords

CORONA DE LUXE • GOLD STRIPE • PETIT CORONAS • LILIES • QUEENS • PANETELAS



a new issue at the price it has reason to believe will be successful. It may from time to time decide to bid for a larger or smaller amount, according to its view of the monetary situation, and its desire to add to the money supply or the reverse.

But the Bank of Canada has tried to make it clear that its influence on interest rates arises from its money supply operations and not from intent. For interest rates, it points out, are determined by the strength of demand for borrowed funds and the availability of funds from willing lenders.

Ireland

CONTINUED FROM PAGE 17

drama will participate.

In the cities of Dublin and Cork, grand opera will hold the main spotlight. Performances are presented by local operatic companies, with leading Continental artists usually taking the stellar roles. "A Night at the Opera" is quite an event and provides the tourist with an unique opportunity of hearing grand opera at its best, while at the same time savoring of the gala atmosphere of Irish social life. Then, too, it provides the ladies with a fine excuse to "dress up" for one of the formal nights.

However, lest the uninitiated should think that Irish social life is too highbrow, it is well to remember that nowhere in Europe is there such a genuinely informal, friendly welcome for visitors. At dances, dinners, or any other function, the traditional easy-going gaiety of the Irish is always evident and the tourist is always made to feel at home.

Ireland will be experiencing one of its busiest sports seasons this Fall. Nearly fifty separate horse racing meetings are scheduled and these will include such classic races as the Irish St. Leger and the Irish Cambridgeshire.

Ireland's 223 golf courses, which include some of the finest in Europe, are open the year around. Club fees everywhere are extremely low and visiting players are always welcomed by the Irish golfing fraternity. Several major tournaments are scheduled during the Fall and in many of them, leading international golfers will compete.

Riding to the hunt is another popular Irish sport, where again the overseas visitor is wholeheartedly welcome. Ireland boasts eighty-five hunt clubs, including two staghound packs, and her hunting terrain is widely held to be the best in Europe. Canadian visitors are invited to become "guest members" of these packs.

Famous as a fisherman's paradise, Ireland is the mecca of thousands of discerning anglers who return there year after year to fish her fabulous lakes and rivers. A feature of Irish life during the past few years has been the transformation of some of the most magnificent and stately of old Irish castles into modern, first-class hotels. These hotels are usually situated in the center of vast estates, where the visiting anglers may enjoy the unique experience of living in a real old Irish castle, while at the same time enjoying the thrill of having some of Europe's best fishing waters right at his doorstep.

Nowadays, too, Ireland is internationally recognized as the natural gateway to Europe. More trans-atlantic air lines serve Ireland's famed Shannon Airport than any other single airport in Europe and with the introduction of the new Economy Class fares, travel to Ireland has been placed well within the reach of every Canadian. Similarly, for those who prefer to travel by sea, nearly all of the great shipping lines have services to Cobh.

A final note: Ireland's determination to attract more and more Canadian tourists and its confidence that it can do so is best evidenced by the fact that an Irish Tourist Office has now been opened in Montreal. Niall Mooney, a friendly and efficient young Irishman is in charge, and he'll be delighted to hear from those who are thinking of a visit to Ireland—in Autumn or at any other time of the year. For all information write to him at: Irish Tourist Office, 1015 Beaver Hall Hill, Montreal.

Puzzler

by J. A. H. Hunter

"No RATS where there's mice!" They tell you that, but Jake knows better. His old barn was overrun with both the pests, and now at last he'd called in young Ted from down the road to get rid of the vermin.

"I'll make a deal with you," said Jake, as the boy prepared to unleash his dogs. "Twenty-one cents for every rat you kill. And for the first mouse you'll get a cent, two cents for the second, three for the third, and so on."

Jake's smart. The baby mice would be hardest to find, but that way young Ted would surely do his best.

So the fun started, and for quite a while the old barn was a place of violence and slaughter.

When the job was done, Jake went in to check results and he was very happy to hand over the ten-dollar fee the boy had earned under their agreement. More mice than rats had been killed, but what were the exact numbers? (82)

Answer on page 35.

Chess

by D. M. LeDain

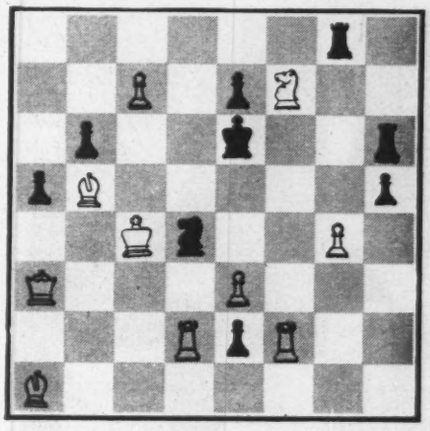
SOME YEARS AGO when Dr. Alekhine was king of chess he entered a Paris coffee house where he was unknown. He sat down and ordered, when an elderly gentleman approached and asked if he would care to play a game of chess. Alekhine accepted and the waiter brought a set. Arranging the pieces Alekhine removed a Rook from his side. "What are you doing, Monsieur?" the Frenchman exclaimed. "I am giving you the advantage of a Rook", answered Alekhine. "But Monsieur, you don't know me at all". "Monsieur", the chess king replied patiently, "if I cannot give you a Rook advantage I would know you".

White: Dr. A. Alekhine, Black: Amateur.

1. P-K4, P-K3; 2. P-Q4, P-Q4; 3. Kt-QB3, B-Kt5; 4. B-Q3, BxKtch; 5. PxB, P-KR3; 6. B-R3, Kt-Q2; 7. Q-K2, PxP; 8. BxP, KKt-B3; 9. B-Q3, P-QKt3; 10. QxPch! Resigns.

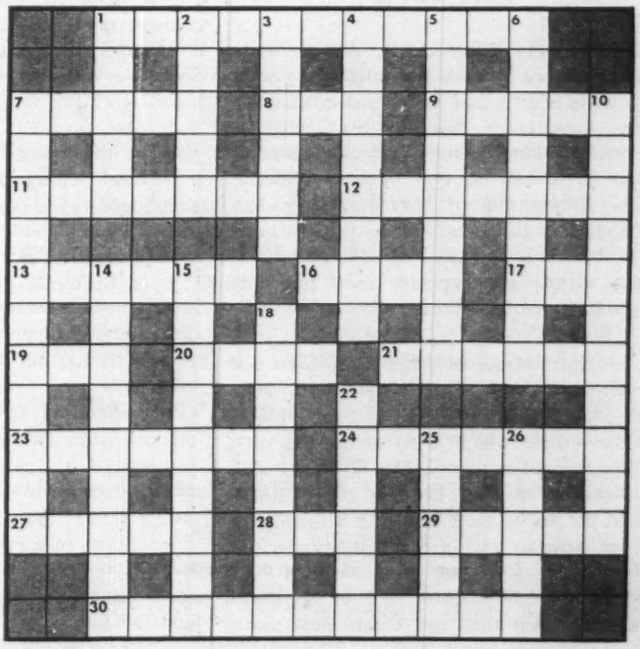
Solution of Problem No. 199 (Gamage). Key, 1. Q-Kt1.

Problem No. 200, by G. Jonsson. White mates in two. (10 + 9)



Think It Over

by Louis and Dorothy Crerar



ACROSS

1 Was the corpse frightened to death? (6, 5)
7 Because of this it was double or nothing for an Old Testament character. (5)
8 Is it because of her lack of clothing she always appears in a sleeveless gown? (3)
9 Poetic Cyril? (5)
11 Chandler who doesn't sell candles. (7)
12 Old-fashioned cattle got a twitch due to motion. (7)
13 It's a duty to repair a raft if wrecked. (6)
16 A 10, 1D is not likely to be. (4)
17 Spotless Markova. (3)
19 30, 4 hope to get yours. (3)
20 There's nothing in 28 to bring it back. (4)
21 Up you go for a change of 27s. (6)
23 Corrupt Eva mixed with it twice. (7)
24 French writer who sounds like the bird of 10 with something on foot. (7)
27 Although sometimes square, another name for it is completely round. (5)
28 Most actors in repertory companies present it twice. (3)
29 The first space-man—or woman? (5)
30, 4. These entertaining people are fed up before they start. (5-6, 8)

DOWN

1 See 10.
2 Tosti's goodbye? (5)
3 Remedies? Send me around for them. (6)
4 See 30.
5 When the desert is ahead of them, it's a lonely prospect for them. (9)
6, 7. The early bird gets the soup as a matter of course. (5, 4, 5, 6)
10, 1. A relation that may crow and bellow? (4-3-4, 5)
14 Novel country started by robots in play. (9)
15 Heavens above! (9)
18 There must be a lot of branches to his work. (8)
22 A French king took a short month in autumn for duty. (6)
25 This kind of reaction could wreck China, so keep a watch on it. (5)
26 Agree to differ. (5)

Solution to last puzzle

ACROSS

1 Beethoven
6, 6D. As red as a beet
9 Club bag
10 Granary
11 Basalt
12 Treaty
15 See 24A
16 Dab
17 Cat
18 Die
19 Art
21 Toe
22 Roc
24, 15. Manage
25 See 4
27 See 3
30 Italian
31 Respite
32 Areas
33 Asparagus

DOWN

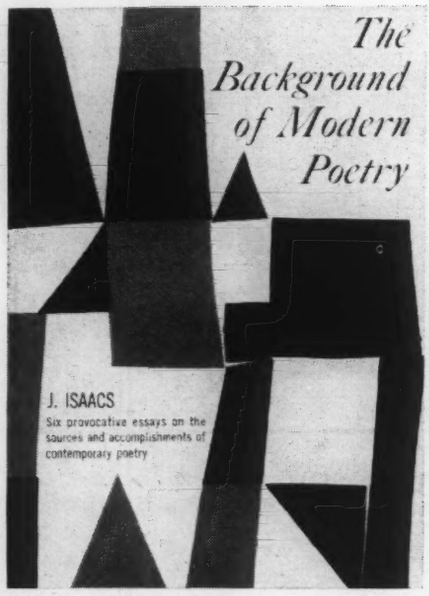
1 Bach
2 Emulate
3, 27. Hubbard squash
4, 25. Vegetable marrow
5 Night
6 See 6A
7 Roasted
8 See 13
13, 8. Salad days
14 See 28
17 Corn syrup
20 Tea-cake
21 Turnips
23 Cruiser
24 Mashing
26 Wanda
28, 14. Lima beans
29 Peas (449)

Books

by Arnold Edinborough

Canadian and Commonwealth

"An attempt to give well-intentioned people something to steer by when they set out to read modern verse which is so unlike the verse they learned in school".


The Background of Modern Poetry
J. ISAACS
Six provocative essays on the sources and accomplishments of contemporary poetry

Jacket Design

SOME PEOPLE never realize that to write about poetry is much less satisfactory than to write poetry, just as to read criticism is less satisfactory than to read what is criticized. But Professor J. Isaacs is modest enough to call his new book of criticism *The Background of Modern Poetry*. Mr. Isaacs thus tacitly admits, and in the body of the work patently explains, that he is not writing about poetry itself but only about some of the things which go to make up the creative poetic process.

All Mr. Isaacs is trying to do is to give well-intentioned people something to steer by when they set out to read modern verse—verse which is so unlike the verse they learned in school. Mr. Eliot, says Mr. Isaacs, is, in fact, like Mr. Wordsworth, and the poetic method of the Romantics is very close to that of Stephen Spender and his friends. Common to all of these poets is a belief that words can be so linked together that they can create new meanings for themselves and so communicate a new sense of reality to the reader.

Digging into the mines from which the poets quarry their material, Mr. Isaacs ranges from Edmund Spenser to T. E. Hulme and gives generous quotations from such lesser-known old poets as Thomas Carew, and such new ones as John Rodker, F. S. Flint and L. Aaronson.

Mr. Isaacs' main theme is that poetry recreates itself by modern poets reading the work of older people and improving on them. He draws some notable parallels between the works of French symbolists and of modern English poets, and between such apparently disparate poetic sensibilities as those of Shelley, Shakespeare, Richard Aldington and T. S. Eliot. By drawing these parallels he hopes to make his reader more receptive to the modernisation process, and to help him enjoy what up to now has baffled him.

Mr. Isaacs' book serves, therefore, as most helpful and pleasant background not only to modern poetry in general, but to a new book by one of Canada's better younger poets, James Reaney, for *A Suit of Nettles* is a careful refurnishing of Spenser's *The Shepherd's Calendar* published in 1579.

Spenser invented groups of shepherds who, as the months went by, disputed in a pastoral setting on various matters of contemporary as well as permanent interest. Piers, Cuddy, Hobinoll and other such used a variety of metres too—a device of Spenser's by which he hoped to please not only the political and social fancy of his hearers when his work was read at court, but also their poetic sensibilities.

Mr. Reaney, following the trend of modernisation outlined by Professor Isaacs, has moved his pastoral setting from the never-never land of Spenser (strongly coloured by the Mediterranean sun of Theocritus) into rural Ontario. The characters, no longer shepherds, are all geese with names like Branwell, Effie, Mopsus and Dorcas.

These geese, in true fable style, talk in a human, even Ontario, accent about many things. They discuss the nature of love:—"I do not think he loves her nor she him;/ They love the deed, and not, I think, each other" or the nature of people:—"But the people living here are yet much/Like us: brick upon brick—they are new born,/ They grow up, earn a living, learn prudence,/Depress a bed, beget a blockhead; mourn—/For the next brick seals them down, down, down, down."

One month is devoted to a fable about birth control—treating a solemn subject in a riotously funny fashion. Another month sees the absurdity of our modern principles of education, and the gooseteacher, after being told of the curriculum of yesteryear comments:

Anser: Why we have simplicity itself compared to what the maze of obscurity was. I mean since our heads are going to be chopped off anyhow we only teach the young gosling what he likes.

Valancy: We liked what Strictus taught though it took some effort.

Anser: Pah! If they like nothing, then teach them that. The self must be free.

This is not to say that Mr. Reaney's book is all as amusing. He sometimes strains after his language (he is heavily—and I use the word advisedly—under the influence of Anglo-Saxon alliterative verse), and his desire for allegory, learned from his master, Spenser, makes September's eclogue a jumbled madcap affair, where he pleases himself more than he will his readers.

There will be much learned controversy about Mr. Reaney's *A Suit of Nettles* and

James Reaney: Pleasing himself.

there will doubtless be detailed exposition of his work in some of the reviews in the university quarterlies. But do not be put off by that—get a copy of *A Suit of Nettles* and read it aloud three or four times. You will be listening to a new and original voice in Canadian poetry.

After reading new Canadian poetry it has been a pleasure to turn to an anthology of Australian verse. For Australia has certain trends in its cultural history which closely approximate those of Canada. But isolated in a very different landscape and totally different climate—what differences are noticeable?

The distinguishing Australian characteristics as they appear in *The Penguin Book of Australian Verse* are three. First there is a deliberate emphasis on local words and local customs. This is particularly true of a group of poets known as the Jindyworobaks who, according to the introduction to this collection, "had been attempting to realize the continent imaginatively, by bringing its entire past into consciousness". There is therefore, throughout, a good deal of emphasis on de Quiros and other early explorers, on the early settlement of some of the harsher parts of Australia and on the decay and death of some of the early mining towns.

The second obviously Australian characteristic is the rather determined use of local flora and fauna and of the occupations and words of the country. Perhaps this is best illustrated in David Campbell's *The Stockman*:

The sun was in the summer grass,
The coolibahs were twisted steel:
The stockman paused beneath their shade
And sat upon his heel,
And with the reins looped through his arm
He rolled tobacco in his palm.

His horse stood still. His cattle dog
Tongued in the shadow of the tree,
And for a moment on the plain
Time waited for the three.
And then the stockman licked his fag
And Time took up his solar swag.

I saw the stockman mount and ride
Across the mirage on the plain:
And still that timeless moment brought
Fresh ripples to my brain:
It seemed in that distorting air
I saw his grandson sitting there.

The third, and to a Canadian reader, the most pleasant of the obviously Australian characteristics, is the permeation through most of the anthology of the ballad form and metre. In this no doubt the younger poets have learned from W. H. Auden, but they are also steeped in the tradition of rollicking balladry of the Australian Outback itself. The new working of these ballads is, however, sophisticated, bright and sharp, they are no longer the diffuse rambling ballads of the people, like *Waltzing Matilda*.

This Penguin anthology is extremely well edited by John Thompson, Kenneth Slessor, and R. G. Howarth. The introduction by R. G. Howarth is only five pages long, but it is a model of succinct literary style. The "biocriticisms" of each author which preface each selection are incisive and sometimes caustic.

Altogether this volume of some three hundred pages is a better anthology of Australian verse than exists, even in this country, of Canadian verse. We can only hope that Penguin will do for Canada what it has already done for Australia.

The Background of Modern Poetry, by J. Isaacs—pp. 116—*Dent—$1.75.*

A Suit of Nettles, by James Reaney—pp 54—*Macmillan—$3.00.*

The Penguin Book of Australian Verse, —edited by John Thompson, Kenneth Slessor, and R. G. Howarth—pp. 312—*70c.*

Books Received

Dramatic Providence in Macbeth (G. R. Elliott)—*Princeton Univ. Press—$5.00.*
Portrait of a Man Unknown (Nathalie Sarraute)—*S. Saunders—$4.00.*
Bawdy Burns (Cyril Pearl)—*S. Saunders —$4.00.*
War Poets (1914-1918) (Edmund Blunden) —*Longmans Green—$0.50.*
The Devil's Agent (Hans Habe)—*McLeod —$5.25.*
Hyphens (James Russell Grant)—*Putnam —7s 6d.*
Lilli and the Hippopotamus (Peter Beale) —*British Books—$4.50.*
Much Else In Italy (Martin Boyd)—*Macmillan—$3.50.*
Frances Anne (Lady Londonderry)—*Macmillan—$5.75.*
Pigs I Have Known (Sacha Carnegie) — *British Books—$4.25.*
Chiara (Gene d'Olive) — *McClelland & Stewart—$4.50.*
Three's Company (Alfred Duggan) — *British Books—$3.50.*
Jutland (Donald MacIntyre) — *British Books—$4.25.*
Kicking Canvas (A. A. Bestic) — *British Books—$3.75.*
Niki (Tibor Dery) — *British Books $2.35.*
British Columbia (a Centennial Anthology) —*McClelland & Stewart—$5.00.*
The Blind Owl (Sadegh Hedayat) — *Ambassador—$3.50.*
Flashing Spikes (Frank O'Rourke) — *Harlequin—$0.35.*
Four Black Cars (S. Barlay & P. Sasdy)— *McClelland & Stewart—$3.00.*
Eustace and Hilda (L. P. Hartley) — *McClelland & Stewart—$5.00.*

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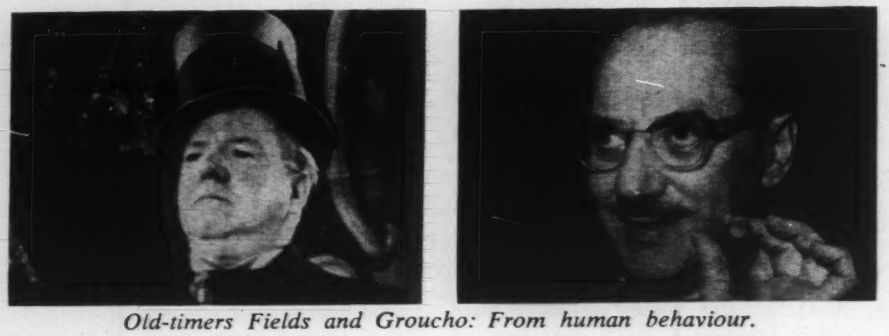


Old-timers Fields and Groucho: From human behaviour.

The Lively Arts

by Mary Lowrey Ross

Comedians, Modern Style

OUR GREAT COMICS—Charlie Chaplin, W. C. Fields, Fred Allen, Groucho Marx—have all been brilliantly, if erratically, educated men. Their training was a form of progressive education since they learned, literally, by doing, in the enormously educative field of show-business. For the rest, they depended on their curiosity, their acute powers of observation, and such catch-as-catch-can reading as came their way.

Today's comedian is the product of a more formal education. Quite frequently he is college-educated. He learned show-business in the university dramatic club or on the television stage rather than in vaudeville or burlesque. His special discomfitures are the discomfitures of the civilized man rather than of the tramp. He is at home with Freud, Marxism, surrealism, Hemingway, the whole gamut of literate reference, and knows how to make popular use of them with an audience. He respects his audience, and assumes, not always correctly, that it won't be amused by an exploding cigar or the spectacle of someone losing his pants. He juggles words and ideas rather than cigar boxes and billiard cues. The late W. C. Fields would probably have looked at him with a slight deepening of the contempt and indignation which was his special attitude to the human race.

How would Comedian Fields, for instance, have regarded Wayne and Shuster's recent popular "Bosworth Field" on the Ed Sullivan show? I think he would probably have looked down his great nose at the spectacle, dismissing it as a college-boy romp. Certainly it would never have occurred to him to go to Shakespeare for his observations and references—perhaps because he preferred, like Shakespeare, to take them directly from human behavior.

Steve Allen, who is smooth, literate and disarming, belongs to the new school of comedy. So do Sid Caesar and Victor Borge. There is also a representative sprinkling on the Jack Paar show. "One thing I really hate is bad manners," Paar reflected not long ago. This prejudice naturally rules out those burlesque graduates whose best performances are distinguished by a violent and hilarious tastelessness.

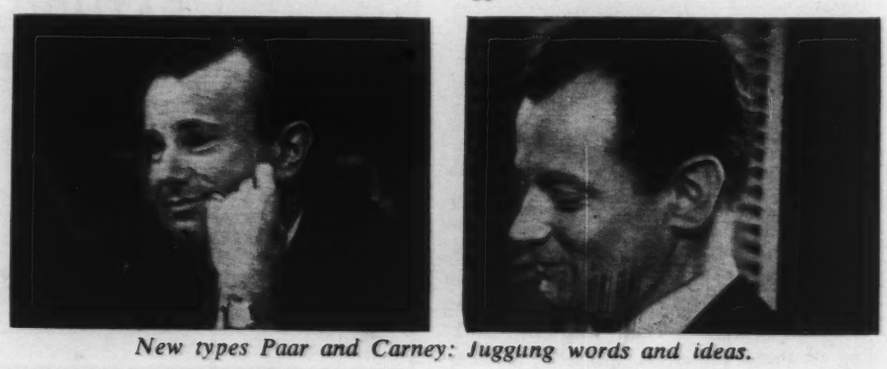
Paar comedians, a well-behaved lot, suffer from the minor stresses of civilization. They struggle with telephones, cigarette smoking, cellophane wrappers, insomnia, department store clerks. Their mohair silk trousers slit at the knee, they are intimidated by airplane travel, their wives like to start interminable conversations in the middle of the night. Their troubles are frantic extensions of familiar frustrations and they are often very funny.

Funniest of all is Charlie Weaver, the "wild old man" of the Jack Paar show. But Charlie's wildness takes the form of informality rather than violence. Three times a week he shuffles on stage in braces and an indescribable hat, to read a folksy letter from his home-town, Mount Ivy. He then sits down on the side lines where he contributes off-side comments on the show and performers and exposes a personality as tough as a hickory knot to the blandishments of the female guests. His hands hang low between his knees, his glasses hang low on his nose, and his eye glints watchfully and sometimes malignantly at his fellow guests, particularly if one of them happens to be Miss Zsa Zsa Gabor. It is a fine act to watch, particularly when it rises to a point of unrehearsed indignation.

What is missing in all these performances however is the directness and sheer physical release of slapstick. There is plenty of violence on the screen but it is rarely employed for the kind of shattering comedy that used to delight the followers of Laurel and Hardy. On television, the nearest approach to this memorable pair is the team of Jackie Gleason and Art Carney. Thus Gleason is large, garrulous and domineering, while Carney is thin, bewildered and hopelessly nitwitted. The Gleason plans, which Carney earnestly supports, invariably end in disaster.

But while Oliver Hardy's discomfitures were usually physical, Jackie Gleason's are invariably emotional. Garden rakes and vats of calcimine were always lying in wait for Comedian Hardy and stovepipes came to pieces in his hands like filigree, burying him in soot. He was the living symbol of the accident prone and he always ended up as the screen's largest human devastated area. But Gleason's struggles are with the tax department, the boss, the executive of the Loyal Order of Raccoons and, especially, with his wife Alice, who never assaults her vast baby of a husband with a custard pie, but just patiently punctures his ego. Comedy, in fact, has become largely subjective.

If the Hopes, the Bennys and the Red Skeltons represent a vanishing race of comedians, it isn't because the old-time comic has lost any of his popularity with the public. It is because the particular schools that produced him don't flourish any longer. He is the irreplaceable product of burlesque, the vaudeville stage, and the live applauding audience. Today's comedians are being trained on the television stage, under the eye of camera, with only a studio audience and stage crews to give them their tempo. It isn't much wonder if they sometimes seem a little muted and apprehensive.



New types Paar and Carney: Juggling words and ideas.

Insurance

by William Sclater

Veterans in Hospital

How will war veterans fare under this new Ontario Hospital Plan. I am not referring to pensionable disabilities but to other sickness. Can we go into Sunnybrook Veterans Hospital for example under this new plan.—D.M., Oshawa.

You certainly can. Any war veteran is entitled to go into a DVA hospital under the Ontario Government Hospital Plan just as veterans in other provinces can go into DVA hospitals under their provincial plans. Sign up for the Ontario Government Hospital Plan. It will cost you $2.10 per month single, twice that if you are married. If you are in a group in a plant or office your employer will be arranging for you to take this out but you must register with the Ontario Hospital Services Commission by the end of September, as an individual member if you are not in a group, so that coverage will be in effect next January 1st. The first premium must be paid when you register.

Here is an extract from the remarks of the Hon. Alfred J. Brooks, Minister of Veterans' Affairs in the House of Commons in Ottawa: "The operation of provincial hospital insurance plans will in no way adversely affect the right and privileges of treatment which any veteran now enjoys at the hands of the Department".

This means, among other things, that many of the services now provided to veteran patients, at the expense of the veterans themselves, will be provided in future by DVA hospitals at the expense of the hospital insurance plans. But you must sign up and obtain coverage under the Hospital Insurance Plan,, either through your employers group or as an individual if you are self-employed or in a company with less than 15 employees, and your employer fails to register a group.

How to Buy

I want to enrol for Government Hospital Insurance but my employer says it is not his concern. I thought I would be in a group as there are 12 of us in this company but he says it isn't so. How do I go about it in this case?—K.A., Oakville.

"Employers may pay no part, any part or all of the employee's premium just as they do with any insurance plan they have at present. Those employed in groups of 15 or more employees will be subject to mandatory enrolment through place of employment. If employed in groups of 6 to 14 the employer may apply to the Commission to enrol his employees as an employed group". So read the regulations.

The groups must be enrolled by employers before 31st August, 1958 and payment of one month premium for each employee made in December, 1958. As the period from 1st January, 1959 to the end of February will be free for every person enrolled, this payment will cover March, 1959. If your employer is not going to register your 12 employees as a group you will require to make individual application.

Obtain an individual application form from a bank or post office. Fill it in with your name and address and state whether it is single or family coverage. The single rate is $2.10 per month. The family rate which is $4.20 per month, covers husband, wife and all unmarried unemployed children under 19, and children over 18 who are dependent because of physical or mental infirmity. The family rate does not cover grandmothers, aunts, uncles, fathers, mothers etc. Any person with an eligible dependent pays the family rate. Send it in, with your remittance, to the Ontario Hospital Services Commission, Parliament Buildings, Queen's Park, Toronto, before September 30th.

Accident Coverage

I am arranging renewable term life insurance but am concerned at possibility of an accident leading to loss of employment and earning ability without loss of life. How should this be met? — J.H., Seebe, Alta.

See your local general insurance agent and ask him for particulars of accident insurance which provides income in the case of complete or partial disablement as the result of an accident. See a good life underwriter also and ask for an opinion in this respect. Rates will depend upon the breadth and amount of coverage at your present age.

Arctic

CONTINUED FROM PAGE 13

groups: The Western Arctic Group which includes King William, Prince of Wales, Victoria and Banks Islands; the Eastern Arctic Group including Baffin, Bylot, Somerset and the islands of northern Hudson Bay and Foxe Basin; and the Northern Group comprising the islands north of Viscount Melville and Lancaster Sounds with the entire group now known as the Queen Elizabeth Islands and including such ancient markings as Ellsmere, Melville, Bathurst and Devon Islands.

This huge area came under actual federal control in 1880 when the United Kingdom government decided to transfer its working authority in these regions to Canada as part of the general consequences of confederation and responsible government. The British North America Act had provided for the admission of Rupertsland and the Northwest Territories into the new union by an Imperial Order in Council in response to a request by the Canadian parliament. Actually proceedings were initiated in 1867 to bring this about and on July 15, 1870, these territories were formally annexed to the Dominion. But apparently the Arctic islands were treated as administratively under British naval control until 1880 when direct Canadian authority came to be exercised.

Meanwhile, it should be remembered that what is often called the Canadian Arctic, namely all the islands referred to in the District of Franklin and the Queen Elizabeth group, had been discovered or explored and scientically studied not by Canadians but by Englishmen, Danes, Norwegians, Americans and other. The Canadian role in all of this was really as heir to the great British tradition of Arctic exploration while Canada was a member of the colonial empire.

Inevitably certain legal problems as to "ownership" and "jurisdiction" of these islands were bound to arise. The initial interest in the area was partly the human challenge—like Everest "it was there"—and partly an ancient European search for a short northwest passage to the Pacific and the Indies. The race to the Pole eventually came to replace optimistic expectations of achieving a practical northwest passage; indeed, it was not until 1944 that the Arctic Ocean was navigated in a single season when the feat was accomplished by the St. Roche, an RCMP schooner. Thus very few Canadians were involved either in the search for the Pole or for the northwest passage even after 1870 when legal authority in the territories was vested in the new dominion. It was not unexpected, therefore, to find Danes and Americans, Norwegians and others toying with the assertion of rights in the Arctic on behalf of their own states on grounds of prior exploration. CONTINUED ON PAGE 34

Gold & Dross

A world copper factor — Selling metal in London — Keeping a weather eye on steel demand — Long view on newsprint.

Noranda

Although Noranda's earnings slipped to $1.05 a share in the first half-year against $1.58 a share in the initial six months of 1957, the stock continues to be expensive to buy on the market. How can this be explained? M. J., Ottawa.

While Noranda's earnings were down, it is important to note that the dividend of $1.00 a share for the six months was covered. So long as the investor can secure a reasonable yield on a situation with the position and outlook of Noranda, he will probably stay with it. The worst of the troubles which have been plaguing Noranda seems to be over and from now on it should be clear sailing. The company's program of expansion, which resulted in heavy borrowings, is starting to make itself felt. For instance, operations at the subsidiary Gaspe Copper Mines — which experienced both power and labor troubles — reached capacity in April. Gaspe punched out an operating profit of $2,324,000 in the six-month period and reduced its debt to Noranda by $2,000,000.

The final stage of construction at Noranda's Cutler, Ont. acid plant will be completed in September, when the new pyrite-roasting unit is expected to commence production.

Some of the operating aspects for the first six months are worthy of note. For example, metal production increased and partly offset the lower price of copper, 24% below the comparable period of 1957. But the company reports copper production for the period of 15,597 tons versus 14,313 tons in the first half of 1957, and gold production of 97,476 ounces against 92,144.

Also standing out is the record of Noranda Copper and Brass Limited, shipments of which have held to the 1957 level. Although profit margins have been reduced, net earnings were about the same as during the comparable period last year owing to a smaller decline in the value of metal inventories.

To grasp the position of Noranda, consider the aggressiveness of this company in expanding itself into a world factor in copper production. It has increased the amount of metal it produces by buying into concentrate shippers like Geco. Concurrently it boosted the capacity of Noranda Copper & Brass, which now ranks as the second or third largest copper refinery in the world.

Noranda is an outstanding Canadian achievement and perhaps the only score on which officials can be criticized is their failure to blow their own horn. This company needs a good aggressive program of promotion of its corporate identity and the significance of its position. Most companies undertake such programs in order to improve their ability to raise capital. It is to the credit of Noranda officials that they financed the expansion into pyrites treatment and at Gaspe Copper and Noranda Copper and Brass without any dilution of the shareholders' equity.

Geco's Prospects

May I impose on your good nature for a review of the Geco company's prospects? M. R., Winnipeg, Man.

Geco Mines is a copper-zinc producer in the Manitouwadge area of Ontario, and owes its discovery to the activities of a number of part-time prospectors. It is a large scale-tonnage operation, backed by substantial ore reserves. It is currently mining and milling 3500 tons of ore per day and it is believed this is the most economical rate until such a time as conditions — mainly the price of copper — warrant an increase to the projected rate of 5000 tons daily.

The company has outstanding 3,000,000 shares of stock and profits are running around $800,000 quarterly after write-offs and local taxes. As a new mining producer, the company enjoys exemption from federal income taxes for a three-year period, which expires Sept. 30, 1960. Profits before write-offs and local taxes are running around $1,250,000 quarterly.

Market valuation of the stock is high in relation to earnings and indicates great expectations for the possibilities of the mine. Additional ore findings are not unreasonable to hope for in view of the extreme liveliness of disclosures to date. An improvement in the price of copper would also help.

Officials have considered taking the workings deeper, perhaps of sinking an exploratory shaft for an additional 1,000 feet, in an effort to assess the picture in the lower reaches. The company sells its copper output at the price posted on the London Metal Exchange, so it usually obtains the best price available. Since it is a big producer, turning out about 50 million pounds of red metal annually, it has considerable to gain from any increase in price.

Hope of higher levels for copper is based on the free world's production having been cut back below the level of consumption. It is thought by some that consumers' purchases for fall delivery could lend a strong tone to the market.

The picture with zinc, of which Geco produces about 25,000,000 pounds annually, is not as bright as with copper. However, in the event of an increase in production being generated by better red-metal prices the revenue from zinc would expand since additional quantities of this metal would be taken out along with the copper.

Geco is a long-term proposition.

Dofasco

Has the reduced operating rate for the steel industry any affect on Dominion Foundries & Steel of Hamilton, Ont? —K. J., Ottawa.

Like the rest of the primary-steel industry in Canada, Dominion Foundries & Steel (Dofasco) has to cope with customers' demands for rush deliveries in this "buyers' market." But sales for so far this year are reportedly fairly good. Individual steel companies in Canada do not issue tonnage figures to the general public although they do provide them to the Dominion Bureau of Statistics which publishes them on an overall-industry basis. Considering the lines Dofasco concentrates on, it should be up to industry average.

Dofasco officials have a weather eye peeled for any indications of an increase in Canada's steel needs. The company's installation of the first oxygen steel-making plant in North America has brought its steel-making facilities above its finishing capacity. It is, however, to proceed with a 250,000-ton increase in flat-rolled capacity.

The Dofasco operation characterizes a high degree of management aggressiveness plus particularly effective labor relations. It is unique also in the extent to which it has concentrated on production of flat-rolled products — steel plate, hot-rolled sheets, cold-rolled sheets, tin-mill products and galvanized sheets. These are highly marketable items. Dofasco's biggest line is tin plate, in which it accounts for approximately 50% of Canadian production.

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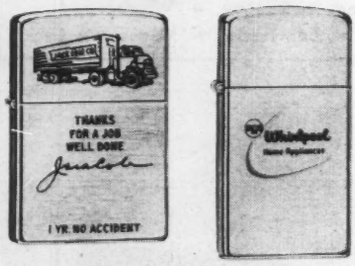

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erates one of this country's two largest steel foundries. It is the only one of the four basic steel makers not operating its own sources of ore. Officials do not look to be forced into the mining business for many, many years.

The company has some thought of establishing a sinter plant, the principal function of which would be reworking iron-ore dust ejected from the blast furnaces. Dust catchers would collect the waste ore and make it into a sinter which would be fed back into the furnaces as charge. A decision on the sinter probably won't be made before 1960.

In the meantime, the company has proceeded with development and expansion, which will enable it to make more coke and new products.

Abitibi

How do newspaper stocks look in general and more specifically what can you say about Abitibi?—B. J., Windsor.

The Canadian newsprint companies are feeling the effects of the increasing self sufficiency of the United States in newsprint but the slack should be taken up over the longer term by increased circulation and advertising of the press. This is an age of mass communications, with the newspaper a virtual necessity in the conduct of business. For proof of this, just see what happens to retail business under newspaper strikes in large cities.

Net earnings of Abitibi dipped to $4.4 million of $1 a share in the first half year from $1.51 in the same period of 1957. Officials look for business in the last six months to be on a par with the first six.

Abitibi is a strong unit, the operations of which are a representative cross-section of the industry.

Calculated Risks

Financial writers talk about investment, speculation, business man's investment, etc. What do they mean by these terms? Sometimes I see the word "investment" used in a sense which makes me wonder if the financial writers are not even more confused than the reader.—C. J., Halifax.

The terms "investment" and "speculation" are sometimes used to indicate any vehicle for the employment of money, regardless of the nature of the vehicle. Obviously, there is considerable difference between the rating of shares of Moose Pasture Consolidated Mines and Province of Ontario bonds. One is a wildcat speculation, the other a high grade investment.

All grades of securities do not, however, classify as sharply as the two above. For example, it is difficult to say where the investment category of basic-steel shares ends and the speculative character takes over. There are in the Canadian

and indeed in any other modern economy well-based enterprises which have good earnings but necessarily have speculative qualities because of the fluctuating nature of business and because of growth possibilities.

Financial writers mentioning "businessman's" investments or speculations are generally trying to convey the thought that there is an element of risk associated with shares but that this can be calculated and the shares are a suitable speculation for a business man, who takes risks as a matter of course. Thus, shares which could be recommended as a "businessman's" investment would not be suitable for a portfolio built for defensive investment.

Gas Line Bonds

How is the investment rating of Alberta Gas Trunk Line Limited 5¼% first-mortgage sinking-fund bonds due in 1981?—O. A., Vancouver.

Considering the public-utility nature of Alberta Gas Trunk Line, and the rapid acceptance of natural gas as a fuel, the earnings outlook and growth potential of the company is most promising. The bonds rank as high-grades.

The company is engaged in the construction and operation of a pipe-line system in Alberta, which gathers and transmits natural gas to the point on the Alberta-Saskatchewan border where the Trans-Canada Pipe line systems commences. All the gas which Trans-Canada now owns in Alberta and has permission to export will flow through the Alberta Trunk system. Trans-Canada has agreed to pay all the company's costs of providing this service. In consequence funds necessary to service Alberta Gas Trunk bonds will be an operating charge on Trans-Canada Pipe Lines.

In Brief

What progress is Aunor Gold making?—J. R., Quebec, Que.

Increased profits reflect boost in mill capacity.

Anything new on Premier Border?—W. H., Regina.

Changed its name to Calvert Gas & Oils.

Where is Nipiron now?—M. A., St. Catharines.

Latched onto some ground west of the Mattagami area of Quebec.

Is Bicroft likely to pay a dividend soon?—M. B., Calgary.

Any talk of dividends is premature until debt has been liquidated; but the company is showing a profit.

What's Boymar Gold Mines doing?—J. J., Hamilton.

Like many other mining companies, it is trying its luck in the Mattagami camp in Quebec.

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Toronto, August 8, 1958

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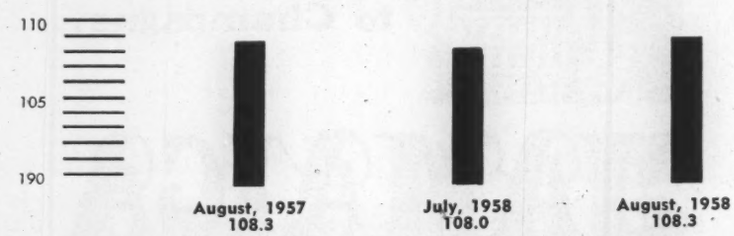
Saturday Night Business Index for August



(Saturday Night's Business Index is a compilation of statistical factors bearing, generally, on Canada's gross national product. It is designed to reflect pace of economic activity. The base 100 is drawn from 1955 data.)

Indicator Table	Unit	Latest Month	Previous Month	Year Ago
Index of Industrial Production (Seasonably Adjusted)	1935-39 =100	278.7	279.2	286.8
Retail Trade	$ millions	1,373	1,267	1,315
Total Labor Income (Seasonably Adjusted)	$ millions	1,313	1,304	1,274
Consumer Price Index	1949=100	1,247	125.1	121.9
Wholesale Price Index of Industrial Materials	1935-39 =100	229.9	227.2	239.8
Inventory, Manufacturing Industry (Held and Owned)	$ millions	4,685	4,708	4,816
New Orders, Manufacturing Industry	$ millions	1,807	1,820	1,786
Steel Ingot Production	1000 tons	367.8	395.6	418.2
Cheques Cashed, 52 Centers	$ millions	20,807	17,839	18,859
Imports for Consumption	$ millions	449.5	486.9	454.0
Exports, domestic	$ millions	428.5	484.4	394.1
Contract Awards (MacLean Building Reports)	$ millions	317.6	387.8	248.1

Latest month figures are mainly preliminary data

by Maurice Hecht

THE ECONOMIC pessimists of the past months have to keep quiet now. What fooled many people is that there was no sharp rebound from the slump into a new boom. Recovery's slow, but it's sure.

The business index is now at its highest point in a year and a fraction off the past peak. Total labour income is higher than ever. Steel strike may trigger a bad effect on the economy but end results won't make a great change.

In June 5,794,000 people had jobs. This was 129,000 above May and only 40,000 below the previous year month. Average hours worked have moved up in manufacturing as a whole. They are now above the general 1957 level. This is a good sign.

The trade picture is healthy. Our exports are up two per cent in the first six months of the year compared to the same period of 1957. Imports are down 11 per cent. Thus our trade deficit for that period was cut from $574 million to $194 million. Wheat gained $70 million over a year ago. So, be it noted, did uranium, now in sixth place as an export.

Retail trade reflects the growing buoyancy. Dollar total is now some three per cent ahead of a year ago, which means only a mite behind in volume of goods. House and business building is still jumping.

Are there any real bad features?

Yes. Industrial construction is away down. This means industrial production is not slated for big jumps in the near future. Another example is increasing prices. True, the Consumer Price Index dropped in July but it's not slated to drop much more, if at all. Industrial raw material prices are moving up after a long drop. So inflation will still be very much a problem.

NORAD

CONTINUED FROM PAGE 9

come from various Arab and other leaders, there was no indication that this continent was in imminent danger.

On the other hand, if NORAD went into increased readiness without informing the public, and the news somehow leaked out, the result might be the very uneasiness or panic that quiet action was intended to avoid. These considerations, it should be added, are the consensus of informed deduction by newsmen at the time, and not based on official briefings.

In any case, a statement became available at NORAD to any reporter with initiative enough to ask about increased activity. Later, it was learned that official announcements had been made in Ottawa and Washington.

Was this normal procedure? Gen. Partridge pointed out that he—or in his absence, Air Marshal Slemon — exercise operational control of our joint air defences under the terms of reference carefully worked out and agreed to by the military and political authorities of Canada and the United States.

"These procedures," he added, "include provisions to cope with an emergency situation if necessary. They provide for consultation with our military superiors and that consultation will always be carried out to the limit of the time available."

The assumption at NORAD headquarters is that any especially grave decisions referred to the chiefs of staff in Ottawa and Washington would be discussed by the chiefs with their civilian, elected bosses.

The decision-making machinery itself can only be described as vast. NORAD's eyes and ears stretch from Alaska to Greenland along the D.E.W. line, with auxiliary warnings available from Greenland, from "Texas towers" planted on the seabeds offshore, and from constantly patrolling radar ships, planes and blimps ranging up and down the Pacific and Atlantic coasts. The Mid-Canada and Pinetree radar systems add their observations, as do hundreds of ground observer stations in Canada and the U.S.A. Other sources, described merely as "intelligence," contribute further information.

Its nervous system is a huge network of nearly 200 short-wave radio and teletype circuits which funnel all radar reports in to Colorado Springs. Incidentally, the same information is available at Canadian Air Defence headquarters in St. Hubert, Que., and the decision to send fighters up to investigate an unknown aircraft may be a purely Canadian one. A recent statement by Defence Minister Pearkes in the Canadian House of Commons has brought reports that commun-

ications may be one main difficulty behind what he described as a "high-altitude gap" in the D.E.W. line. Mr. Pearkes said that the latest type of Soviet bomber might get past the billion-dollar D.E.W. line unheralded, though improvements were under study.

To push an anatomical analogy one more step, at least part of NORAD's brains is some 2000 miles away in the eastern United States. This is the up-to-date, and monumentally expensive SAGE (Semi-automatic Ground Environment) computer system, which can accept information from either one or a number of radar stations and integrate it into a highly probable prediction of an aircraft's course and speed over the near future. SAGE makes no command decisions; it merely replaces—and vastly outspeeds—men with slide-rules, pencil and paper.

The eastern computer station, connected by teletype to NORAD, is the first of a series of SAGE installations to span the continent by 1962. There have been hints that the Canadian taxpayer may have to grit his teeth and go into at least one SAGE system as well. Latest word from Defence Minister Pearkes was an answer to Opposition Leader Perason, in which he said the U.S. system could operate effectively in the defence of both countries.

Amid all this complex machinery of command, some 25 Canadian officers and airmen are already at work, on exactly the same basis as officers and enlisted men of the United States Navy, Army and Air Force. Many of the RCAF officers, in fact, were already in Colorado Springs when NORAD was formed. They were serving under a long-standing exchange plan by which RCAF and USAF officers trade jobs for a while to familiarize members of each force with the way the other operates. Others will soon join them.

At the head, of course, is Air Marshal Slemon. Normally, he and Gen. Partridge act, in A/M Slemon's phrase, "as a team". During the U.S. general's absences — periods estimated from a third to more than half the time over the past ten months — A/M Slemon is in full command, with complete operational control over all American forces in NORAD. That includes units armed with nuclear weapons.

Various U.S. newspapers have given a good deal of space to the fact that a Canadian might some day become responsible for their lives and safety. In the standard briefing given to visiting civilians at NORAD, the two nations and their air forces are always named together —and Canada is invariably mentioned first.

Inside the headquarters, in sight of the Red Ensign and the Stars and Stripes flying side by side, a good many of the American officers turn out to be fully conscious of the debate on NORAD both in and out of the Canadian House of Commons. Some time after they have met a Canadian visitor, they almost inevitably ask about it. The typical approach is polite, but puzzled.

One middle-grade officer put it this way: "I don't know as much as I should about Canada and your viewpoint up there. But the way I look at it, our General Partridge is away just about half the time. When's he's away, your air marshal is the boss. If he says go, we're going to go.

"If anybody's going to lose sovereignty on this deal, the chances are fifty-fifty it's going to be us. And we aren't worried."

Duplessis

CONTINUED FROM PAGE 15

Jeanne Asselin.

All these people were identified as present or former holders of shares of the Quebec Natural Gas Corp., although no one had more than a few hundred shares.

(The Financial Post Corporation Service says the promotors of Quebec Natural Gas Corp., in 1956 and 1957, bought 544,986 class "B" shares, at $8 each. March 31, 1958, class "B" shares became common shares, which trade at the moment for about $22.)

Le Devoir added that the Quebec law firm of Gagnon and de Billy, in which Lieutenant Governor Onesime Gagnon is a partner, handled the sale.

The paper—and, of course, the Liberals, who were now fairly rubbing their hands and licking their chops—wanted answers to two questions: Why, in the first place, did the Quebec Hydro decide to sell its natural gas business? And what was the *Union Nationale* doing at both ends of the sale?

Lesage says, "I demand to know the date of the sale option granted to Quebec Natural Gas Corp., and want to see every word of the text of the option."

"For much less," *Le Devoir* remarked, "simply for holding shares in a gas pipeline whose welfare they might possibly have been able to further, two Ontario cabinet ministers recently resigned."

There *was* quite a difference between ministerial resignations and the reaction down in Quebec. Most of the *Union Nationale* people accused refuse to say anything to reporters.

Colonel Maurice Forget, president of Quebec Natural Gas Corp., says simply, "The details of the corporation's financing are to be found in its prospectus."

The hydro commissioners issued one statement on their decision to sell the natural gas business, and concentrate on producing electricity. They said they made the decision before natural gas was available in Quebec. Manufactured gas was dependent upon raw materials of foreign source, and upon "other factors of equally foreign nature."

Now, they say, natural gas, too, comes from outside the province, passing over territories over which it has no control. Why should Quebec enhance the value of a "foreign" product?

This explanation, of course, fits the party line like a glove—Quebec's passionate devotion to autonomy. Duplessis once ordered provincial police to watch for "cigaret smugglers" at the Ontario border. Cigarets are 33 cents a package in Ontario, but 37 cents in Quebec, thanks to a provincial sales tax.

In 1954 Duplessis levied a provincial income tax. He has consistently resisted the siren song of tax rental agreements. And he won't take a dime of federal aid to education.

Ottawa has been putting federal grants that would have gone to Quebec universities in the bank, against the day when they may accept them. The French-language universities wouldn't dream of touching the money—which is now a staggering sum — without permission. However, knowledgeable sources in Montreal say McGill University, which will probably have to increase its fees this year or be ruined, is toying with the idea of asking Ottawa for money, and seeing what happens.

Lesage, on the other hand, says he would immediately start a medical insurance plan for Quebec, in cooperation with the federal government. He is getting crowds of 1,500 and 2,000 in towns with populations of 8,000 and 10,000, but is too shrewd to come out strongly for cozying up to Ottawa. He concentrates on scandals —gas, roads and vague hints of even bigger things to come.

For instance, he charged in a recent speech that the Quebec colonization department has been building roads, not to settlers lots, but to the microwave towers of a telephone company in Dorchester county.

"This telephone company," he says, "is dear, very dear, to the heart of our colonization minister, Mr. Joseph D. Begin." Dorchester is Begin's constituency, as well.

Ironically, one of Lesage's most embarrassing problems is a man who dislikes Duplessis even more than Lesage does, and who is an old hand at getting elected on the public morality issue.

He is Jean Drapeau, who became mayor of Montreal in 1954, on the crest of the now-famous Caron vice-probe. A year ago, Drapeau was defeated for the mayoralty by Sarto Fournier, a Liberal senator, who was promptly drummed out of the Liberal party for accepting the aid of the Duplessis machine to win.

Drapeau, however, shows no eagerness to join Lesage, and become a rank-and-file Liberal. In fact, his Civic Action League announced earlier this month that it will

move up from Montreal municipal politics into the provincial field as a third political party. The CAL was the Montreal organization that drove the old city machine out in 1954.

Whether or not the charges against the *Union Nationale* are true is important, from a moral viewpoint. But pragmatically, the question is simply: will the present uproar discredit Duplessis enough to unseat him at the next election, whenever that may be?

It has been suggested that farmers and villagers—the hick voters, if you will—keep Duplessis in power. Scandal, it is said, wins elections in Montreal, some of the time, but in the country they don't care about financial shenanigans. All they know is that Quebec has 27,000 miles of highways, to get the butter to market. And when it gets there someone buys it, because Duplessis keeps margarine at a safe distance.

But, in 1936, Duplessis himself won power on the "government corruption" issue. He forced an investigation of Taschereau's free-wheeling Liberal regime, before the Public Accounts Committee.

Then, just before the election of 1936, he formed a party of reformers, clean-up men and money savers. He called it the *Union Nationale,* and it won the election.

Duplessis is a rotund five-feet-eight, and still has most of his hair, which curls into a sort of peppercorn when he gets worked up on a speakers' platform. His long, slightly droopy nose is the delight of *Le Devoir's* cartoonists.

A bachelor, he has also been a teetotaller since 1940, on doctor's orders. In the right mood, he can charm the spots off the deuce of spades, but his rages are equally impressive. His "personal popularity", outside Montreal and Quebec City, makes Eisenhower look like a pariah.

Four years ago, he weathered a "scandal" nearly as explosive as the natural gas affair, and swept the 1956 elections.

In February, 1954, Pierre Laporte wrote a series in *Le Devoir,* charging widespread corruption at the $225,000,000 Bersimis River power project. Seven engineers, Laporte charged, had quit the project, rather than pad the payroll with non-existent workers.

Duplessis stood in the legislature that night for a solid hour, villifying Laporte, calling *Le Devoir* a communist newspaper, and denying all charges. Two years before, Duplessis shouted, Laporte's grandfather lost a parcel of land in a tax case. Duplessis arranged to have the private bills committee vote to return the land. This was the thanks he got.

At Duplessis' regular Friday press conference, the reporters customarily file into his old-fashioned, high-ceilinged office one by one, shaking hands with the premier as they enter.

Last June 27, at the first conference since the gas scandal story, Duplessis refused to shake hands with Guy Lamarche, *Le Devoir's* reporter. When Lamarche refused to get out, Duplessis called his driver, a provincial police lieutenant, to lead the reporter out.

The following Friday, and the Friday after that, there was no press conference at all. Duplessis threatened to sue *Le Devoir,* but at this writing no writ has been issued.

"The chief" as they call him, appears determined to ride it out in silence, depending on his big, smoothly functioning machine to win an election when one comes.

Foreign Cars

CONTINUED FROM PAGE 7

particularly since the domestic industry is in the doldrums. During the first four months of this year, for instance, total registrations of new passenger cars declined 19.2% but imports increased 29% to grab nearly 15% of the market.

In the U.S., imports almost doubled their share of the market in the first half, to account for almost 7.5% of total new car sales.

Critics of Detroit have perhaps played up the success of the small car too much, while unjustly neglecting an equally important trend—the success of the "compact" car as typified by the American Motors Rambler. In the U.S. the Rambler has rocketed to seventh position in domestic car sales from a lowly fourteenth position in 1957, while in Canada the company reports a 40% sales increase for the current model year.

Taken overall, the success of small and compact cars has been the feature of the North American automobile market in the past year. It also indicates the kind of transference of consumer dollar votes to which Detroit is always extremely sensitive.

Detroit in fact is now reported to be readying to meet the competition. There's a buzz of rumor concerning plans Ford and GM are reported to have made to produce special new models as early as next summer. Details have leaked out from suppliers, although company spokesmen here remain silent on intentions.

There is strong circumstantial evidence to suggest that both Ford and GM are thinking of making compact cars. Reports have appeared of plans for a new Chevrolet Six which would be both smaller and lighter than 1958 model cars. But its 100-inch wheelbase and 6-cylinder engine producing 90 to 100 horsepower would remove it from the small car category.

Under fire from several quarters, Detroit is obviously in the process of serious soul-searching. Its standard thesis is that the average North American consumer still wants a big car, still is more interested in luxury and chrome than in economy.

Even in the depressed automobile market of this year, there is backing for this—among the 1958 model successes are not only the chrome-covered Oldsmobile but also two luxury lines, the Chevrolet Impala and Ford's new four-seater Thunderbird.

The recession complex is undoubtedly a factor today—but probably not to the extent that Detroit would like to believe. Thus the argument that consumers prefer economy cars in bad times doesn't hold water: both in the U.S. and Canada the sale of small cars has been on a rising trend for at least three years, thereby antedating the recession.

Perhaps the biggest threat to Detroit's ideas lies simply in the fact that during previous recessions consumers have never had any alternative to the domestic product to choose from. But now as many as 100 different makes of foreign automobiles are available in North America, so that Detroit's ideas and concepts no longer have a monopoly.

The whole automobile market in fact appears headed for a period of counter-revolution, a period of return to the original revolution which Detroit inspired—putting a nation on wheels, extending car ownership into lower income brackets.

The counter-revolution already has its Model T in the shape of the Volkswagen. Since 1953, the beetle-shaped VW has been successfully offering stability of design and economy of operation to a public grown blasé about yearly styling changes and soaring ownership and running costs.

But the German car has done more than that: It has upset conventional ideas on automobile engineering by having its small air-cooled engine slung in the rear and its gas tank up front under the hood. Above all it has marked a return to the fundamental purpose of a car, namely that it should provide reliable transportation—an entirely different objective from the almost neurotically pursued concept of a car as a symbol of status.

One factor which isn't too generally recognized is the variety of function and performance offered by small cars and other imports. The domestic industry has in the past recognized this by creating station wagons, hardtops and personal cars for the many consumers who are not satisfied with the conventional two-door or four-door family sedan.

In this regard, there are certain things which the small car does extremely well and in which it cannot be matched by bigger cars.

Thus its manoeuverability makes it ideal for handling in crowded city driving conditions. Much the same factor applies in the suburbs. In addition, the small imported vehicle is a logical choice as runabout for two-car families, now growing in number.

Again it has taken the imported sports

car to show there is a definite place in the market for the two-seater personal car—a product which Detroit once used to make under the name of the club coupe. The sports car has shown that a car can be sold on its performance rather than on the comfort of its ride.

How far will small cars go? The number of new makes now coming on the market suggests a period of increasing competition and greater market penetration.

But inevitably there are limitations on the sale of imported cars which don't apply to the big domestic-built products. No single importer for instance could hope to achieve the distribution and dealership network of any one of the Big Three. Nor would it be possible to match anything like the weight of advertising pressure that Detroit can exert in backing its products.

Despite the success of small cars, too, the vast bulk of North American consumers can still be shown to prefer the size, the comfort, the luxury and the power of the domestic product—a product in most ways ideally suited to the market. This makes it inconceivable that the market would ever be dominated by small cars.

Already too there is the danger that small cars may be oversold by over-enthusiastic partisans, and this might lead to a further reaction—this time against small cars.

But regardless of what future may lie ahead for the small car, one thing is almost certain: it has administered virtually a death blow to the concept of the big car as a status symbol. When the present sound and fury has died down, the most likely finding will be that the automobile has been consigned to the graveyard of obsolete status symbols—along with the piano, the chandelier and the stained glass window so loved by previous generations.

And the market will be all the healthier for it.

Pay-TV

CONTINUED FROM PAGE 11

paying for the sound; Phonevision, a Zenith Radio Corp. device which sends a decoding signal by telephone wire; Subscriber-Vision, a Skiatron process involving punched cards which unscramble the picture and Telemovie, the system tried in Bartlesville, Okla., last fall.

Bartlesville (pop. 28,000, saturated with TV, oil and money) was offered a cabled package deal of 26 movies a month for $9.50. There were 300 takers. After six months there were still only 300. The price was cut to $4.95 but the experiment was a flop.

Although the varying methods of getting the picture to the customer's TV set seem complicated, all systems are basically the same. The differences are technically more for appearances than effect. The only differences—and the one that causes the companies real worry—is the method of collecting the subscriber's money.

Some industry critics say that as yet there is no economical method of collection. They point to the hesitation of any major U.S. company to back pay-TV in any significant way as evidence.

The Selectovision and Telemeter methods illustrate two different methods in collection.

With Selectovision, customers pay about $20 for an electronic device, called a Selectovator, which is connected into the TV set. TV programs will be distributed by means of a plastic card which carries a printed circuit. The card, placed in the Selectovator, produces the program. The advantages of this system, of course, are that the viewer can select the time when he wants to see the program and that program cards could be merchandised and promoted as premiums and so on. The cost of a card is expected to be about that of a theatre ticket.

The Selectovision process would seem to have a promising market. There are about 140 areas in Canada serviced by communal TV antennae. At present, however, fewer than 500 subscribers to each antenna circuit is regarded as uneconomical.

For program sources, Electronic Feeders will obtain TV films from Telefilm of Canada and has "access" to motion picture film. Longer range plans include coverage of sports events where commercial TV is prohibited (football in the home team's city) and live Broadway shows.

Richard Rosenberg, Telefilms of Canada and head of Electronic Feeders, sees benefits flowing both ways: to clients who will have the best in entertainment and to the theatres and sports promoters in increased revenues.

"This could be a terrific boost for the theatre industry," says Rosenberg. "A subscription TV hook-up on opening night could guarantee the financial success of the play. It would be a great stimulus."

The Telemeter method, developed in 1949, features a box the size of a mantel radio which is placed beside the TV set. The subscriber buys the box at a cost estimated to run between $80 and $120.

Three programmes are fed into the box, either by coaxial cable or by VNF or UHF air waves.

The box is attached to the lead from the aerial to the set. The set itself is not touched. The box carries the voice of a "barker" who announces what is available on the Telemeter channels and what it costs. The viewer switches his TV set to the channel used for pay-TV, one of the spare ones on his dial. He then turns the knob on the box to Channel A, B or C and puts coins in the slot.

A tape-recorder in the box notes which programme he has chosen. Every month or so a man calls round from Telemeter and empties the box of coins and tape.

The tape-recordings show exactly who has paid for what, giving an accurate picture of public wants and also giving the producers of a film or the owner of a ball park an exact share of the takings.

"It works just like a movie-theatre box office," says Eugene Fitzgibbons, 37-year-old president of the Famous Players subsidiary which will launch the system in Canada.

"We could have 100,000 subscribers in Toronto or Montreal. It would be like a theatre with 100,000 seats.

"There are many advantages to wire. If we were allowed to broadcast there might be restrictions on the hours we could operate. A wire system is more flexible. Then we might tie-in with the big apartment buildings, many of which are already wired for TV."

What can pay-TV offer the Canadian viewer?

"Variety. We will be adding three extra channels and we'll have to give the viewer a good choice.

"Culture? We'll have to supply that too, even if it's not terribly profitable."

Drama groups like Toronto's Crest Theatre and Little Theatre could be shown on local pay-TV. It could, said Fitzgibbons, be a springboard to fame for Canadian talent.

Pay-TV sponsors argue that they can fill the coin boxes just as well from 50,000 ballet lovers paying $2 a head as from 200,000 hockey fans at 50 cents each.

The networks sneer at these cultural aspirations. Mass appeal, they have found, will always be more profitable in the end.

Answering this, Fitzgibbons says, NBC's TV spectaculars drew unprecedented number of viewers even though they didn't pay. They were an attempt to show that commercial TV could do anything pay-TV could do. The attempt cost money, therefore it failed.

Two dreams disturb the sleep of everyone involved in the pay-TV battle.

One is the vision of a single show flickering simultaneously on 45 million screens in Canada and the U.S. As 45 million hands turn 45 million dials, 45 million 50 cent pieces drop into 45 million boxes. Gross takings: $22,500,000. And what a show!

The other is a nightmare. TV advertising has become a powerful, perhaps essential, boost to the economy. What happens if you take it away? The networks, while opposing pay-TV, are quite prepared to set up their own pay-channels if the worst comes to the worst.

When pay-TV comes, as it probably will, there may be further nightmares. Already the "idiot's lantern" dominates the living-room. The average family watches nearly 24 hours of mediocre television each week—to the detriment of reading, conversation, family life and probably intellect.

Something *extra* is to be added. Can we stand it?

Arctic

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But by this time—the end of the nineteenth century—a change had taken place in the legal standards determining the ownership of new territories by states. Mere discovery alone, sufficient though it might have been to vest title in the 17th or 18th century, was considered inadequate by the beginning of the 20th. Something more had to be done to justify the claims of national dominion over newly explored areas. What was emerging was the concept of "effective occupation," of "an actual, peaceful and continuous display of authority" that would link the new lands administratively and governmentally with the discovering country.

For these reasons the claims of the exploring states had to compete with the newly developed but growingly active Canadian program of patrolling the Arctic areas, especially those of continental Canada and the nearer Arctic islands where Eskimo nomadic or village life was to be found. The RCMP—then the North West Mounted Police—began their red-coated sagas while other forms of national display were also present such as meteorological and minor scientific expeditions, administrative regulation within the Northwest Territories system, the continuing operations of the Hudson Bay Company, etc.

Some of the ambiguity in the legal problem of Canada's claims was brought to a head in an interesting doctrine, first propounded in 1909 by Senator Poirier, known as the "Sector Theory"—although the concept did not originate with him. This theory asserts that in the Polar areas a polar state may assert sovereignty over all the regions included in the triangular sector based upon lines drawn from the two extremities of its northern coasts toward the Pole. To use another phrase, this may be described as the "region of attraction." This theory favours states with a long polar coastline, thus embracing a long area within its sector and here Canada and the Soviet Union, for example, are the two most favoured countries in carving up the Arctic polar regions, while the United States, Finland or Norway have much shorter mainland bases from which to draw their meridian lines to the Pole.

In general, the sector theory has had official acceptance only by the Soviet Union and Canada. In 1926, the Norwegian government, in an exchange of notes with the United Kingdom where Canadian sovereignty over the Sverdrup Islands was formally recognized, expressly stated that its acceptance of the Canadian position "is in no way based on any sanction whatever of what is named the Sector Principle."

Nevertheless, the sector theory, buttressed by increasing Canadian visits, patrols, trading, defense activities and scientific exploration, has become an established doctrine of Canadian public policy. Indeed, in 1953 the then Prime Minister of Canada, Mr. St. Laurent, told the House of Commons on December 8th, in the course of his statement on establishing the Department of Northern Affairs and National Resources, "We must leave no doubt about our active occupation and exercise of sovereignty in these *northern lands right up to the Pole.*"

Of course it was no accident that Senator Poirier's original remarks should have come at a time when Admiral Peary reached the North Pole in 1909 and planted the flag of the United States there. Nor was it a coincidence that Mr. St. Laurent should be speaking at a time when new defense arrangements were in the making between ourselves and the United States which required a fresh logistic and strategic conception as to the role of the Canadian Arctic in the military planning of North America and NATO.

Two or three further developments in the last few years have focussed attention on the question of jurisdiction in the Canadian Arctic and again most of these events arise out of the new complexities in Canadian/United States relations. The establishment of the DEW Line built, maintained and financed by the United States—with eventual Canadian reversionary rights—required a very careful elucidation of the respective rights and duties of the parties in the areas allocated to that radar system. The establishment of American experimental refuelling and other bases in Canada, some of them in the sub-Arctic as at Churchill, also involve nice questions of the status of American forces and the jurisdiction of Canadian civil authorities in relation to those forces bases and their activities.

Then, too, commercial airline flights over the Pole from Europe to the United States, which in some cases stopped at Edmonton during an experimental period and in other cases flew over Alaska instead, raised questions as to the jurisdiction of Canada in air space, not only over the Canadian Archipelago and over the waters between them, but over the polar ice cap, the West Arctic Ocean and Beaufort Sea as well. In general, the position that the United States has taken, and strongly supported by much American legal scholarship in the field, denies any jurisdiction to Canada with respect to air space over open waters or the polar ice cap. As Professor John Cobb Cooper, a leading American authority, has stated, "The sector theory is not part of international law and cannot be accepted or used as a basis for determining Arctic air space rights . . . The ice-covered areas of the Arctic Ocean must be treated as high seas and the air space over such areas is free to the use of all."

Finally, American flyers are charting little known areas while U.S. naval vessels of many types are moving in and around the various straits and passages within the Canadian Archipelago. Although they are there with either an expressed or implied Canadian consent, the interesting question remains as to what view they take of these wide stretches of water—in other words, does the United States accept the fact that these islands are all Canadian and that these are waters over which Canada exercises jurisdiction?

The Prime Minister on August the 16th last in the House clarified the position considerably with respect to the DEW Line by implying that Mr. Hamilton the Minister of Northern Affairs was in error when he talked about Canadians requiring "clearance" before they could go to the DEW Line; instead the Canadian DEW Line co-ordinator at National Defence Headquarters performs a "visit-reporting" function which does not amount to official clearance but simply assists in the provision of services at United States radar and other bases for those Canadians wishing to use United States shelter, food, fuel or other facilities.

Yet however satisfactory may now be the explanations with respect to the DEW Line visiting procedures for Canadians, the Nautilus and Skate have by their remarkable performances raised anew some basic and difficult questions about the Canadian Arctic or that part of it north of the Archipelago. For one thing, it seems very probable that the United States Navy or Government did not ask Canadian permission to traverse the seas beneath the ice cap even though a large part of the journey apparently took place within what can be described as the Canadian "sector." If it is true that no permission was asked in any formal sense, it must be assumed that the United States, while admitting Canadian jurisdiction over the "lands" represented by the discovered, explored and administered islands of the Archipelago, does not today admit of Canadian authority over any part of the great polar ice cap within the Canadian zone, to say nothing of the open Western Arctic Ocean and Beaufort Sea.

While there is much to be said for the classical position that Canada can assert no authority here in the areas of open water, two important qualifications should be asserted at once by the Federal Government in the national interest.

First: With respect to the various straits and bodies of water between the many islands of the Archipelago where American naval vessels traverse today, these must be treated as "Canadian waters" in the same sense that the International Court of Justice viewed the waters of the great Norwegian Archipelago as Norwegian "inland waters" (in the celebrated 1951 Norwegian Fisheries Case). It would make no sense whatever, from the point of view of our national interest to regard these great bodies of water as having no relationship to the many islands that populate

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Editorials

Going, Going, Gone

NORTHERN AFFAIRS Minister Hamilton made himself look like an utter ass over the matter of Canadian travel in the Arctic. One day he told the Commons that it was a matter of national chagrin and personal shame that Canadians, including cabinet ministers, have to go through a formal procedure to getting U.S. permission to visit certain parts of the Canadian Arctic where the U.S. has military installations. The next day he told the Commons that he had been wrong, that Canadians are free to travel anywhere in the Arctic without clearance from any U.S. authorities.

The fact that Mr. Hamilton frankly admitted "I goofed" does not lessen the enormity of his error. Northern affairs are his business, and while the radar sites and other military installations in the Arctic are the concern of the Defence Department, his officials must travel constantly throughout the Arctic to do their jobs; and when he made his original, erroneous statement, he referred specifically to the great trouble experienced in getting security clearance for these officials from U.S. authorities.

Is Mr. Hamilton so out of touch with the affairs of his department, as they concern the Arctic, that he does not know the difficulties that face his departmental workers in the north? According to the National Defence Department, the U.S. State Department and the U.S. Embassy in Ottawa, it has been months, even years, since Canadians required U.S. clearance to visit Arctic installations.

Britain and the UN

WHEN BRITAIN'S Prime Minister Macmillan visited Ottawa a couple of months ago, he referred in one of his speeches to weaknesses in the United Nations. Earlier, during the Suez crisis, British spokesmen emphasized that the United Kingdom had been forced to act to "protect" the Suez Canal because the United Nations was too weak or too disunited to take appropriate action.

Then a couple of weeks ago the Government of Jordan startled the emergency meeting of the UN General Assembly by announcing that through its delegate that it would not agree under any circumstances to the presence of United Nations observers or military forces on its territory as a replacement for the British troops stationed there. Jordon wanted instead "material assistance to reinforce its own army and security forces". It was from the start an untenable position for such a country as Jordan to take, but it did reveal the weakness of UN authority to deal with such a situation—just as did Egypt's position two years ago.

The British professed to be just as startled as the other UN members by the Jordanian declaration. After all, they had just indicated their willingness to withdraw their troops if the UN took over the job of defending Jordan. Still, it seemed incredible that Jordan would act so rashly without first consulting its protector. And there was the curious speech by Britain's foreign minister Selwyn Lloyd, in which he implied several times that the UN had to be pushed into any sort of action in a crisis, that it was impotent to originate action—that it would have done nothing about finding a solution to Palestinian problems if it had not been forced into action by American and British moves in Lebanon and Jordan.

It is unlikely that the British Government is deliberately trying to undermine the structure of the U.N. What is likely is that it must justify its unilateral actions —as in Suez and Jordan—and also attempt to preserve its influence with the little monarchies it established in the Middle East—the kings and the shieks whose power is now threatened by Nasserism. Without foreign troops and guns, these little monarchies and shiekdoms would undoubtedly disappear—and the obtaining of their oil would become much more troublesome. Moreover, the British have treaty obligations with the tiny kingdoms, and presumably they do not want to go back on their word.

For the sake of the treaties (and the oil) they are apparently prepared not only to irritate friends and other members of the Commonwealth but to jeopardize the UN itself. The UN badly needs reformation, but this scarcely seems the way to go about it.

Printers' Pie

ENOUGH EVIDENCE has been uncovered by the Public Accounts Committee of the House of Commons to justify a full-scale inquiry into the construction of the new National Printing Bureau in Hull. But much of the evidence is conflicting and the whole matter has been confused by political partisanship. Therefore the inquiry should be removed from the political arena and conducted by an impartial body.

The inquiry should cover not only the construction phase (the changes, errors, extravagances and so on) but the political phase (the pressures on civil servants by political figures).

Damning evidence has been given by some of the people appearing before the Public Accounts Committee. Most of this testimony has been repudiated by other witnesses or by individuals mentioned in the testimony but not called before the Committee. The public has a right to know where the truth lies. More than $16 million dollars have been spent on the Bureau and it is still not finished. The final cost will probably be over $17 million—at least $7 million more than the original estimates. It's the public's money that is being spent, and the public has every right to know how that money has been spent.

There are other reasons for an open, impartial inquiry. There is a smell of scandal about the Bureau now, and some reputations have been smeared. The Bureau and the reputations should either be cleared or condemned. The present situation is unfair either to those accused or to the citizens of Canada. Moreover, the impression has been created that a considerable amount of boondoggling has been going on in Ottawa. Canadians must know the truth of the matter—not the colored presentations of politicians but the undecorated facts of sworn testimony.

Female Of The Species

THE METROPOLITAN Police Commission is studying the possibility of using policewomen on traffic duty in Toronto, and some Ontario newspaper writers have been horrified by the suggestion. Women, they argue, just aren't suited physically to be traffic cops.

We're horrified, too, but for the opposite reason. Women are all too well suited for the job. We've seen them handle traffic in some European countries and you can take our word for it—they have all the physical equipment that is necessary. And these are women reared in the European tradition of subservience to the male. What horrifies us is the thought of North American women, raised in a tradition of momism and already drunk with a sense of their own power, being given more authority.

A male traffic policeman can squelch an offender with a few effective cliches,

ANSWER TO PUZZLER
24 rats, 31 mice.

delivered in a staccato 30-second burst. A policewoman would do the same job in 30 minutes. Toronto traffic is already in a parlous state. With women on the job it could come to a complete halt—the ultimate in traffic control.

It's not that the women lack the physical requirements to handle traffic. The trouble is that they are over-endowed.

Babies And Bombs

IT WAS NATURAL that there should be a certain revulsion against the recent excessive adulation of science, but it can crop up in the oddest places and in the most curious forms. An example is an article by Dr. Gordon Bates of the Health League of Canada, an organization whose chief usefulness seems to be in the provision of material to tired editorial writers on provincial newspapers.

Dr. Bates thinks (in rather remarkable prose) that "the lengthy dissertations by scientists and businessmen alike on the subject of North American deficiencies in the field of science makes one wonder as to the intelligence of some of our so-called leaders in the field of education. . . . Science with its development of death-dealing bombs and intercontinental rockets may well end by blowing the human race off the earth. The same science which produced a vaccine to prevent polio and a toxoid to prevent diphtheria creates at the same time instruments of destruction more potent than germs themselves devised to ensure that if man does not die of the means evolved by nature he may well depart this life with equal expedition as the result of instruments invented by man himself." The quotation is from a Health League publicity release.

What Dr. Bates says, of course, has been said many times before, with the notable difference that a distinction was made between the scientific discoveries and their uses by non-scientists. There is much more to nuclear physics, for example, than the manufacture of bombs.

What interests us in the Health League release, however, is the sequence of items. Right after Dr. Bates' dissertation comes an approving report under the caption "Few Mothers Die, More Babies Survive". No one wants a higher mortality rate among mothers and children in any part of the world, but we think that to be consistent Dr. Bates and the League should have had something to say about the implications of improved medical methods as they affect the world's population. If Dr. Bates is terribly worried about science's part in giving man the means to commit mass suicide, surely he should be as concerned about the possibility of death by starvation as death by disintegration.

As far as human survival is concerned, the explosive growth of the world's population is just as massive a threat as the potential destruction of a nuclear war.

Arctic

CONTINUED FROM PAGE 34

this area. Hence while "innocent passage" may be permitted, the waters must be treated if not as wholly "inland waters," certainly at the least as an extension of the idea of "territorial waters," in some modified form. In this connection, it was clearly a mistake for the Department of National Defence to have taken "The Labrador," a fine RCN vessel built especially for the Arctic, away from its original patrol and symbolic purposes. No first class Canadian naval vessel now patrols the Arctic, with naval personnel aboard, to keep a continuing respect for the Ensign wherever it may fly.

Second: As to the Beaufort Sea and Western Arctic Ocean, here the Canadian claims are relatively weak if they assert jurisdiction over or under these waters or the air space above. These are the "high seas" even though they come partly within the meridians that make up the Canadian sector; and in the competing claims for the sector idea on the one hand and the "open sea" doctrine on the other, the latter will surely prevail.

But the great polar ice cap is entirely another matter. It is true that it is not "land" in any real sense. It is equally true that it has a certain slow mobility and occasionally in the short summer season there are minor areas of exposed water. But for the greater part the polar ice cap which surrounds the entire polar area—Russian, Norwegian, Canadian, Finnish, American—represents a quasi-fixed mass equivalent in its usefulness for bases and for temporary habitation to the northernmost lands of the Arctic themselves. It would be unwise of Canada to limit its Arctic claims in any way which denies it the right to assert some kind of authority over its sector of the ice cap. Landing strips, meteorological stations, missile bases are all practical on the ice cap. It seems impossible, therefore, to allow mobility or the geologically temporary character of ice—in the long run of global history—to offset the hard physical fact that this ice cap represents a kind of quasi-land for all purposes of peaceful or military use.

If this position is taken with respect to the ice cap it must also be taken with respect to the waters beneath it. For there can be no assertion of jurisdiction overhead that is effective if that authority can be bypassed in the cold depths below.

Canadian policy in the Arctic is undergoing, because of the pressures of defense and, because of new economic opportunities, a period of searching re-examination. It would be well to define our claims as early as possible and, whenever necessary and reasonable, to stand firmly by them.

CANADA is the world's chief source of nickel, the platinum metals, and asbestos. Canada ranks second in the production of gold, zinc and cadmium; third in silver and molybdenum and fourth in copper and lead.

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Over the years, THE HOUSE OF SEAGRAM has told the people of other lands about our many distinctively Canadian customs and achievements.

This advertisement is one of a series now being published by The House of Seagram throughout the world. From such advertisements the people of many lands have come to know Canada better . . . from her wealth of resources, such as the Elliot Lake uranium area, pictured here, to her renowned cultural achievements and traditions.

The House of Seagram has always believed that, in addition to promoting its own products in foreign markets, promoting the reputation abroad of *all* Canadian products is in the best interests of every Canadian.

These world-wide advertising campaigns help unfold the story of the Canadian people and their use of the rich natural resources of this favoured land . . . an inspiring narrative of our great and growing nation.

ALAN C. COLLIER, A.R.C.A., O.S.A. *Born in Toronto, 1911, studied at the Ontario College of Art and at the New York Art Students' League. Has recently been doing a series of paintings in gold mines where he once worked, and frequently sketches around Lake Superior the Laurentians and Nova Scotia.*

For reprints of this painting, suitable for framing, write The House of Seagram, 1430 Peel St., Montreal, P.Q.

Canada is Famous for its Mineral Resources

THE ELLIOT LAKE AREA in Northern Ontario, site of the world's greatest concentration of uranium ore.

Painted for the Seagram Collection by Alan C. Collier, A.R.C.A., O.S.A.

Canada is Famous for Seagram's V.O.

Honoured the world over for its smoothness

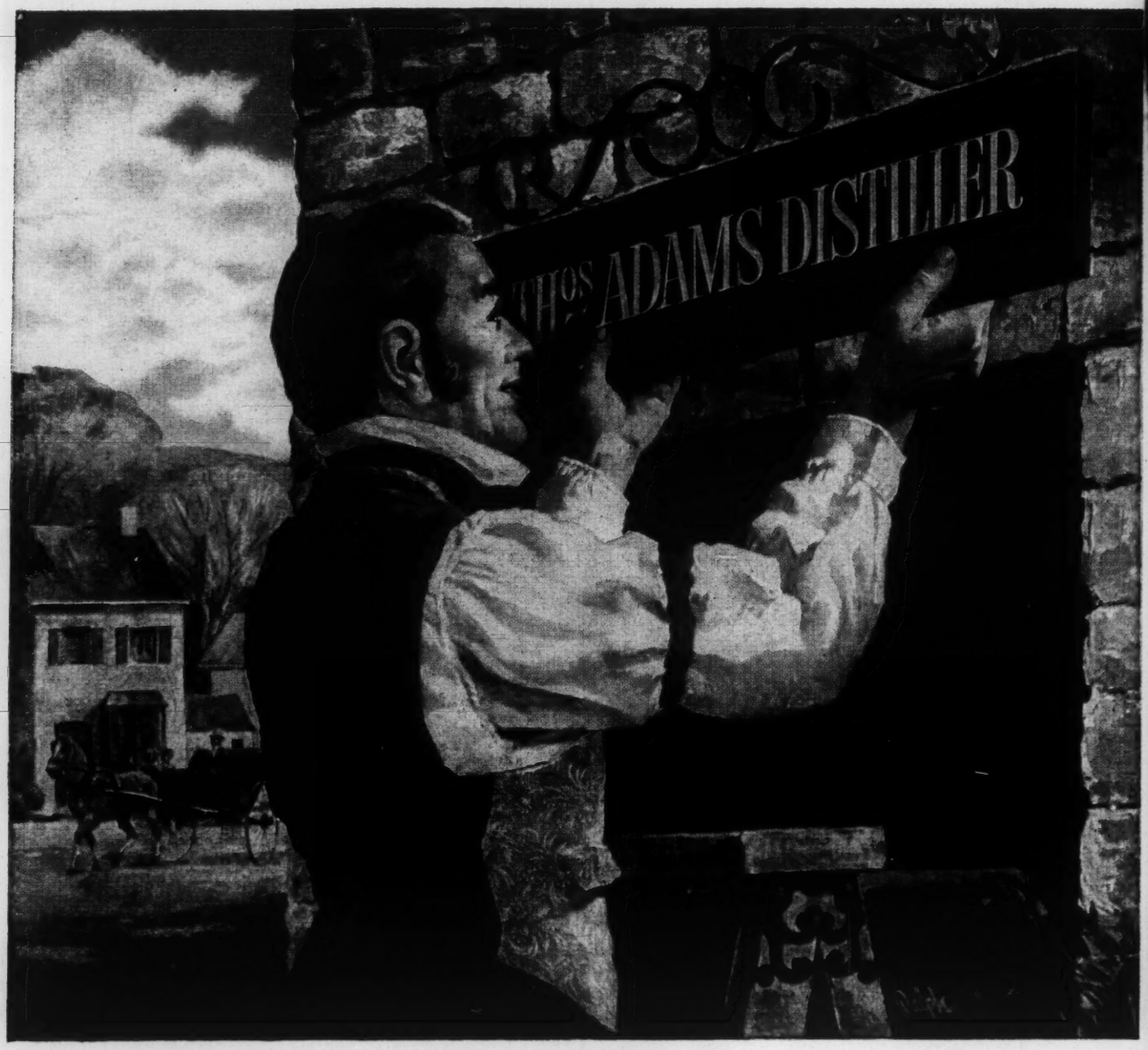
light-body and delicate bouquet, Seagram's V.O.

is the lightest, cleanest-tasting whisky you ever enjoyed.

That's why: *More people throughout the world buy Seagram's V.O.*

than any other whisky exported from any country.

Say Seagram's *and be* Sure



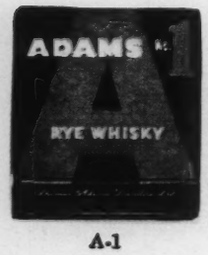
. . . and thereby grew a tradition

When United Empire Loyalist Thomas Adams opened his distillery in Niagara, his concern was to make the finest product within his knowledge and ability. Today, the products of Thomas Adams Distillers Limited continue to reflect this philosophy.

Adams Antique—a Collector's Item—and each of the truly superb Adams brands is the finest Canadian rye whisky in its class. You have an adventure in good taste awaiting you. Start serving—and enjoying—Adams Whisky and Adams Gin soon.

A Collector's Item

SILVER FIZZ GIN



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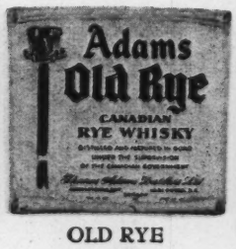
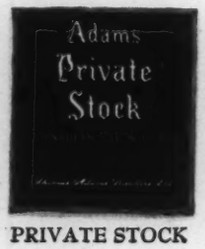
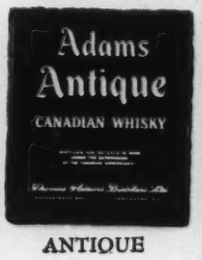


OLD RYE



PRIVATE STOCK

EXPORT



ANTIQUE